The ultimate value of a company becomes visible in times of challenges

The year 2020 taught us many lessons, both human and financial. Inspired by our dedicated PHL family and standing together with our valued customers and stakeholders, we witnessed our resilience and our ability for growth and change when it mattered most.

PRESTIGE HOLDINGS LTD.
A Restaurant Management Company


OUR BARISTA PROMISE
Please Wait Here

Our Vision

To be in the hearts and minds of our customers for every eating experience

2020

TakeAways

Menu

Appetizers

Main Dishes

Dessert

Notice of Annual Meeting

NOTICE IS HEREBY GIVEN that the **ANNUAL MEETING OF SHAREHOLDERS OF PRESTIGE HOLDINGS LIMITED** ("the Company") will be held at No. 22 London Street, Port of Spain on **Monday 26 April 2021** at 11:00 a.m. The meeting will be in a hybrid format, whereby shareholders may attend and participate in the meeting via live webcast by accessing a link and following the registration steps. The meeting will be held for the following purposes:

ORDINARY BUSINESS:

1. To receive and consider the Audited Consolidated Financial Statements of the Company for the year ended 30 November 2020 together with the Reports of the Directors and Auditors thereon.
2. To declare a final dividend of six (6) cents per common share.
3. To re-elect Mr. Martin de Gannes a Director of the Company in accordance with paragraph 4.5 of By-Law No. 1 of the Company for the term from the date of his election until the close of the third Annual Meeting of the Company following his election, subject always to earlier termination under paragraph 4.8.1 of By-Law No.1.
4. To re-elect Mr. Neil Poon Tip a Director of the Company in accordance with paragraph 4.5 of By-Law No. 1 of the Company for the term from the date of his election until the close of the third Annual Meeting of the Company following his election, subject always to earlier termination under paragraph 4.8.1 of By-Law No. 1.
5. To re-elect Mr. Simon Hardy a Director of the Company in accordance with paragraph 4.5 of By-Law No. 1 of the Company for the term from the date of his election until the close of the third Annual Meeting of the Company following his election, subject always to earlier termination under paragraph 4.8.1 of By-Law No. 1.
6. To re-appoint the incumbent Auditors and authorise the Directors to fix their remuneration and expenses for the ensuing year.
7. To transact any other ordinary business of the Company.

Dated: 24 March, 2021
By Order of the Board
Marlon Danglade
Company Secretary
Nos. 47–49 Sackville Street,
Port of Spain,
Trinidad, West Indies.

Notice of Annual Meeting
- Continued

Notes:

1. **FORMAT**
   Like our previous Annual General Meeting held on Thursday 3 December 2020, this year's meeting will also be conducted in a hybrid virtual format whereby shareholders may attend and participate via a live webcast.

2. **ANNUAL REPORT**
   The electronic version of the 2020 Annual Report can be accessed via **http://www.phl-tt.com**

3. **MEETING REQUIREMENTS**
   Shareholders are asked to observe the following requirements of the By-Laws of the Company for attendance and voting at the Annual Meeting.

Persons Entitled to Notice

In accordance with Section 110(2) of the Companies Act Chap. 81:01 the Record Date for the determination of Shareholders who are entitled to receive Notice of the Annual Meeting is on 12 April 2021. Only Shareholders who were on record as at the close of business on 12 April 2021 are therefore entitled to receive Notice of the Annual Meeting.

Proxies

Shareholders of the Company entitled to attend and vote at the Meeting are entitled to appoint one or more proxies to attend and vote instead of them. A proxy need not also be a Shareholder.

Shareholders who return completed proxy forms are not precluded, if subsequently they so wish, from attending the live webcast instead of their proxies and voting via that medium.

Any Shareholder who wishes to appoint a proxy may also visit the website **http://www.phl-tt.com** to download a proxy form.

Representatives of Corporations

A Shareholder who is a body corporate or association is entitled to attend and vote by a duly authorised Representative who need not himself be a Shareholder. Such appointment must be by resolution of the Board of Directors.

Delivery to the Company

Any instrument appointing a proxy (including an instrument evidencing the authority pursuant to which it is executed) or evidencing the authority of the Representative of a Shareholder who is a body corporate or association, must be completed and deposited with the Company Secretary at the Company's Registered Office located at 47–49 Sackville Street not less than 48 hours (excluding Saturdays, Sundays and public holidays) before the time for holding the meeting.

Notice of Annual Meeting
- Continued

Electronic Participation

Shareholders on record as at 12 April 2021 may participate in the meeting electronically and are required to pre-register up to 4:00 pm on Wednesday 21 April 2021 in order to remotely attend the meeting. Once you have pre-registered, you will receive confirmation within 48 hours and will receive an email with a Zoom username and password to attend the meeting via a live webcast at 11.00 am on Monday 26 April 2021. A proxy holder can then be authorised by the Shareholder to use the credentials to attend the Meeting on behalf of the Shareholder. Further details to pre-register and attend via the live webcast is contained on our website at **http://www.phl-tt.com** (Guidelines for Shareholders' Pre-Registration and Online Attendance at Prestige Holdings Limited Annual Meeting).

Proof of Identity

Shareholders are also reminded that the By-Laws provide that the Directors may require that any Shareholder, proxy, or duly authorised representative provide satisfactory proof of his/her identity before being admitted to the meeting.

4. DIRECTORS' CONTRACTS

There were no service contracts entered into between the Company (or any of its subsidiaries) and any of their respective Directors for the year ended 30 November 2020.

We love interacting with the public. So, it was hard for us at first. But we understood that if we did our part, adhered to the protocols, we could help curb or flatten the curve and get back to doing what we love, seeing smiles on our customer's faces.

- Shanta

Corporate Information

BOARD OF DIRECTORS

Christian E. Mouttet	Chairman
Simon Hardy	Chief Executive Officer
Angela Lee Loy	Director
Kurt A. A. Miller	Director
Martin de Gannes	Director
Rene de Gannes	Director
Neil Poon Tip	Director

COMPANY SECRETARY & REGISTERED OFFICE

Marlon Danglade
47–49 Sackville Street
Port of Spain

BANKERS

Scotiabank Trinidad and Tobago Limited
Scotia Centre
56–58 Richmond Street
Port of Spain

First Citizens Bank Limited
Corporate Banking Unit
9 Queen's Park East
Port of Spain

RBC Royal Bank (Trinidad and Tobago) Limited
19–21 Park Street
Port of Spain

Republic Bank Limited
Corporate Business Centre North
1st Floor, Republic Promenade Centre
72 Independence Square
Port of Spain

ATTORNEYS AT LAW

Fitzwilliam Stone, Furness-Smith and Morgan
48–50 Sackville Street
Port of Spain

AUDITORS

PricewaterhouseCoopers
Chartered Accountants
11–13 Victoria Avenue
Port of Spain

REGISTRAR & TRANSFER AGENT

Trinidad and Tobago Central Depository Limited
10th Floor, Nicholas Towers
63 Independence Square
Port of Spain

BOARD COMMITTEE

CORPORATE GOVERNANCE AND NOMINATION

Kurt A. A. Miller	Chairman
Christian E. Mouttet	
Neil Poon Tip	

AUDIT

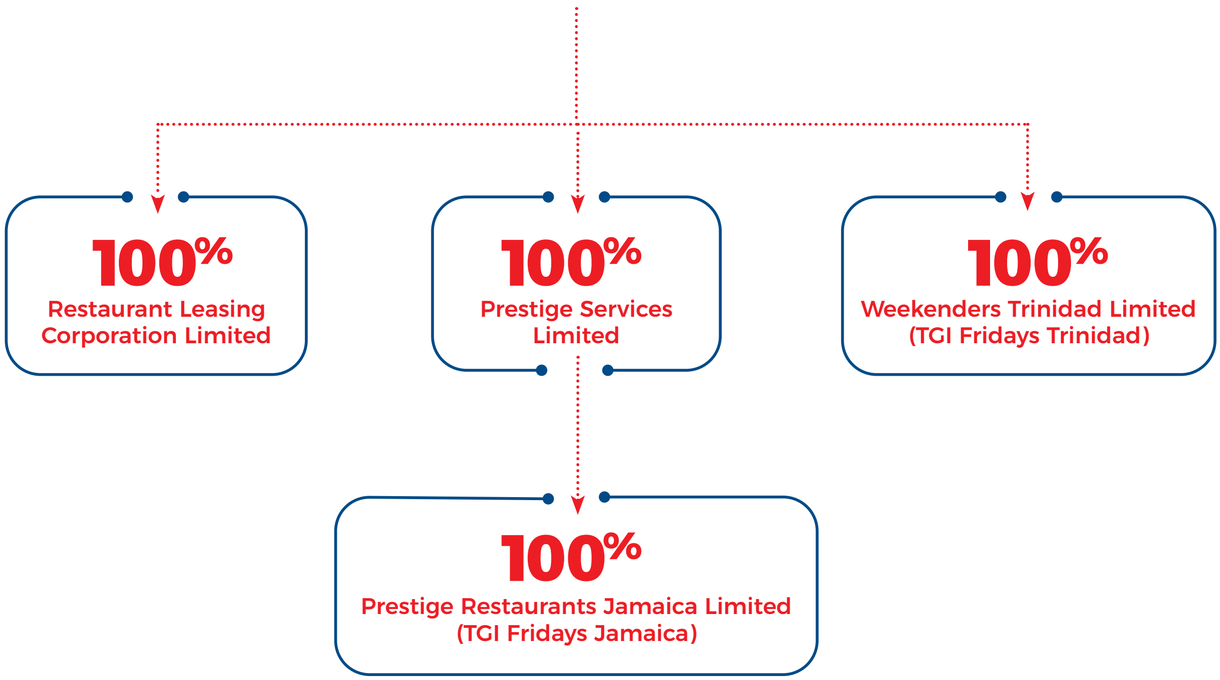
Angela Lee Loy	Chairman
Kurt A. A. Miller	
Rene de Gannes	

HUMAN RESOURCE AND COMPENSATION

Martin de Gannes	Chairman
Christian E. Mouttet	
Neil Poon Tip	

PRESTIGE HOLDINGS LTD.

A Restaurant Management Company



Direction determines the destination

Christian E. Mouttet
Chairman

Chairman's Report 2020

To our shareholders, employees, customers and partners

During the financial year 2020, the COVID-19 pandemic caused significant disruptions to the economic activities in Trinidad and Tobago and the effects of this were particularly acute in the restaurant industry, the sector in which Prestige Holdings operates. The measures taken by the Government to slow the spread of the virus, while prudent and necessary, resulted in our restaurants being completely closed for 34 days, followed by restrictions being placed on in-house dining activities and operating hours, both of which have continued into 2021. That being said, our company embraced this new reality by firstly taking immediate and decisive steps to protect the health and well-being of our employees and customers; secondly, minimising the financial impact the severe disruptions would have on our business; and thirdly, identifying and implementing the changes necessary to successfully operate in a post COVID-19 world.

For the fiscal year 2020, Group Revenue decreased by 19% to $897 million from $1.11 billion which resulted in a Loss Before Tax of $15.7 million, after incurring a one-off Impairment of Goodwill Charge of $18.6 million and an accounting adjustment for IFRS 16 of $8.5 million, both of which did not occur in the prior year. Profit Before Tax before both of these non-cash adjustments would have been $11.1 million compared to $54 million in 2019, a commendable performance given the severe disruption to our operations caused by the COVID-19 pandemic. Additionally, during the period, our Group generated $85 million in Operating Cash, reduced bank Long Term Debt by $12 million and ended the year with $60 million in Cash. Our net Debt to Equity ratio stood at 8:92 (excluding the effect of IFRS 16), and at year end we operated 129 restaurants, with no new restaurant openings, remodels or relocations during the period.

The Impairment of Goodwill Charge referenced above is in relation to the $18.6 million of goodwill carried on our balance sheet for the acquisition of the Subway brand. While this brand is expected to remain a positive net contributor to our Group, given the prevailing headwinds caused by the COVID-19 pandemic and as a result, the potential changes to the restaurant industry, it was deemed prudent and necessary to take this impairment charge at this time.

Chairman's Report 2020
- continued

Operations

To varying degrees, all of our brands were negatively impacted in sales and profitability due to the disruption to their operations caused by the COVID-19 pandemic. While this is to be expected given the complete closure of our restaurants for 34 days, closure of dining for two prolonged periods, and the on-going restrictions on dining and operating hours, it is worthy to note that at the restaurant level, all brands remained profitable and generated positive cash on operations.

Our KFC and Starbucks brands proved the most resilient, with customers adapting more quickly to the convenience of our delivery, curb-side and drive-thru channels. During the year, KFC added the convenience of online ordering and launched the KFC Mobile App, both of which have been well received by customers. Starbucks was our best performing brand in 2020, with all channels exceeding prior year with the exception of dine-in. We expect this brand to continue to trend positively and plan to open four new Starbucks restaurants in 2021.

Pizza Hut was more heavily impacted due to restrictions in the dine-in channel, which accounts for a significant percentage of our sales. We did however see a meaningful increase in delivery and take-out orders in this brand. Our Subway restaurants were also significantly impacted due to customers more slowly converting to the delivery channel and without the drive-thru option at our locations. Initiatives are being taken to address this and provide customers with more convenient access to our fresh, made to order sandwiches and salads.

As was to be expected, the COVID-19 restrictions had the most significant impact on our TGI Fridays restaurants, where in-restaurant dining and bar sales account for the majority of our business. Current restrictions prohibit the sale of alcohol in our bars, limit in-restaurant dining and have reduced operating hours, all of which have weighed heavily on our sales. We have however made considerable progress in developing our delivery and curb-side channels and expect these to remain valuable contributors when conditions normalise.

Throughout 2020, the main focus at our restaurants was protecting the health and well-being of our employees and customers, and this continues to be paramount in all areas of our business. In addition to the strict health and sanitisation protocols that were implemented at all of our locations, our company provided food and financial assistance to our employees and meals to first responders in the health and protective services. Additionally, in recognition of the disruption to the education system and the necessity of online schooling, we provided children of employees with 150 laptop computers, as well as provided computers to an additional 300 children, either directly or through the Ministry of Education. These efforts were funded by our company and the Victor and Sally Mouttet Foundation, whose contributors are Prestige Holdings Limited, Agostini's Limited and Victor E Mouttet Limited.

During the year, significant emphasis was placed on enhancing the customer experience, improving service times and expanding our channel options to provide consumers with more convenient ways to enjoy our brands. To this end, we introduced delivery for the first time to our Subway and Starbucks brands and expanded our

Chairman's Report 2020
- continued

delivery capability at KFC, Pizza Hut and TGI Fridays. To assist in the expansion of our delivery and curb-side efforts, online ordering was introduced across all brands and at KFC, a Mobile App was added for additional customer convenience. Greater emphasis is now being placed on these digital transformation initiatives and this is expected to be a major driver in our business in the years to come.

Looking Forward

While we remain confident and positive about our business in the medium to long term, it would be difficult at this time to provide any accurate forecast for the 2021 financial year. We do expect conditions to remain challenging for our business and industry in 2021 as much of the risks associated with COVID-19 still exists, many restrictions remain in place and much is still unknown with regard to the timing and availability of vaccines.

In March 2021, we expect to begin construction of our new Operations and Distribution Centre in Aranguez. This will be a significant investment for our company and will, for the first time, bring together all of our offices and warehousing, currently in three locations, into one integrated facility. We expect that this will improve management effectiveness and operational efficiencies from inception. This facility is expected to be occupied in the second half of 2022. As mentioned earlier, we plan to open four new Starbucks restaurants in 2021, the first of which opened at Gulf View, San Fernando on February 22, 2021. We also plan to open one new KFC in Sangre Grande, image enhance eight KFC restaurants, two Pizza Huts and our TGI Fridays restaurant in Kingston, Jamaica.

Dividends

The Board approved a final dividend of 6 cents (2019 – 0 cents) per common share, which, with shareholders' approval, will bring the total dividends payable for the financial year 2020 to 6 cents (2019 – 12 cents). The final dividend will be paid on 18 May, 2021 to shareholders whose names appear on the Register of Members on 12 April, 2021.

Acknowledgement

It would be fair to say that we owe a huge debt of gratitude to our many employees who continued to serve our customers and kept our logistics and administrative functions operational through the many disruptions and personal challenges caused by the COVID-19 pandemic. I would like to recognise their hard work and unwavering commitment and offer my sincere thanks. I would also like to commend the CEO, Simon Hardy and his executive team for their exemplary leadership, navigating our Group through the most difficult period in our company's history. Lastly, to my fellow directors who selflessly dedicated a significant amount of their time in supporting the management's efforts. Again, my sincere thanks and I am honoured to sit at the same table with each of you.

Christian E. Mouttet
Chairman
25 February 2021

Board of Directors

Angela Lee Loy
F.C.C.A., C.A., Director

Martin de Gannes
B.Sc., M.Sc., FICB Director

Christian E. Mouttet
B.A., Chairman

Simon Hardy
B.Eng. (Hons.), F.C.A., C.A.,
Chief Executive Officer

Neil Poon Tip
B. Com., Director

Rene de Gannes
B.Sc., (Hons), Director

Kurt A. A. Miller
LL.B. (Hons), Director

Board of Directors

-Continued

Christian E. Mouttet,
B.A.,
Chairman

Mr. Mouttet is the Chairman and CEO of Victor E. Mouttet Limited and Chairman of Agostini's Limited. He holds a Bachelor of Arts Degree with a double Major in Business Administration and Political Science from Wagner College, New York.

Simon Hardy,
B.Eng. (Hons.), F.C.A., C.A.,
Chief Executive Officer

Mr. Hardy gained his formal education in the United Kingdom, having graduated with a bachelor's degree (Honours) in mechanical engineering from the University of Bristol. He then pursued a career in accountancy, qualifying as a Chartered Accountant and earning his certification in corporate treasury management in 2001 and 2003 respectively. Mr. Hardy is also a Fellow of the Institute of Chartered Accountants in England and Wales.

Prior to returning to Trinidad, Mr. Hardy worked in internal audit with a major international company in the United Kingdom, where he engaged with senior managers in trade, finance and operations. He also worked in India conducting risk assessments, examining service level agreements and ensuring good corporate governance.

Upon his return to Trinidad, Mr. Hardy joined a locally owned hospitality business in 2007 as the Group Chief Financial Officer. Within two years, he was promoted to the position of Chief Operating Officer, a position which he held until he joined Prestige Holdings in 2014.

Angela Lee Loy,
F.C.C.A., C.A.,
Director

Ms. Lee Loy is the Chairman of Aegis Business Solutions Limited, outsourcing and advisory services; Partner of Aegis & Co., external audit company; and Chairman of recruitment agency, Eve Anderson Recruitment Limited and Caribbean Resourcing Solutions Limited. She is a Fellow of the Association of Chartered Certified Accountants (UK). She was a former partner responsible for the provision of Assurance and Business Advisory Services with PricewaterhouseCoopers.

Ms. Lee Loy is a non-executive director and Chairman/member of the audit committee for a number of public and private companies. She is the immediate past President of Trinidad and Tobago Coalition Services Association (TTCSI) and within the NGO sector; she is also Chairman of Social Justice Foundation and Music Literacy Trust and Director on The Mercy Foundation, a division of Living Waters.

She was the first female President of the Institute of Chartered Accountants of Trinidad and Tobago (ICATT) and the Institute of Chartered Accountants of the Caribbean (ICAC) and the Chairman of the National AIDS Coordinating Committee (NACC).

Martin de Gannes,
B.Sc., M.Sc., FICB,
Director

Mr. de Gannes joined the Board after holding several executive human resource leadership positions in both local and global companies within Trinidad and Tobago over the past 35 years.

A former first-place winner of the Open National Scholarship in Modern Studies from St. Mary's College, his qualifications include a B.Sc., (Economics) and an M.Sc., (Industrial Relations) from The London School of Economics and Political Science, as well as a Fellow of the Institute of Canadian Bankers FICB (with Honours). He has also had the benefit of training in management development from Harvard Business School and dispute resolution training from the University of Windsor, Canada. Mr de Gannes is a Board member of the Immortelle Vocational Centre, a member of the Registration, Recognition and Certification Board of T&T and a member of the Salaries Review Commission.

Board of Directors

-Continued

Rene de Gannes,
B.Sc. (Hons),
Director

Mr. de Gannes is the General Manager, Kiss Baking Company Limited. A graduate of The University of the West Indies (B.Sc. Honours, Economics) in 1987, Mr. de Gannes has enjoyed success in the world of marketing communications and distribution and brings to the table a variety of leadership skills developed at both local and multinational organizations. He is also an avid sports enthusiast and serves as a member of the Fatima Old Boys Association.

Kurt A. A. Miller,
LL.B. (Hons),
Director

Mr. Miller is the Managing Partner and Head of the Commercial Department of Fitzwilliam, Stone, Furness-Smith & Morgan. He joined the firm in 1986 and has been a partner since 1992. His areas of specialty are finance, banking, and corporate/commercial transactions. He has acted and continues to act for a broad range of local and international clients in the areas of commercial transactions, structured credit transactions, leverage lending transactions, sovereign and commercial bond issues, mergers and acquisitions, securitisation transactions and aviation transactions.

Mr. Miller is a graduate of the University of the West Indies (LL.B. Hons, 1984) and the Norman Manley Law School, Jamaica (Legal Education Certificate, 1986). He was admitted to practice in 1986 in Trinidad and Tobago, in 1991 in Jamaica and in 2021 in Guyana. He has consistently been recognised as a leader in Chambers Global, World's Leading Lawyers for Business since 2004.

Neil Poon Tip,
B. Com.,
Director

A graduate of St. Mary's University, Halifax, Canada with a Bachelor of Commerce degree with a major in marketing, Mr. Poon Tip holds several leadership positions within the food and beverage industry in Trinidad and Tobago. He is the Managing Director of Universal Foods Limited and is a Director of Associated Brands (Investments) Limited, as well as a number of family owned businesses. He is also a Director of Consolidated Biscuits Limited, Malta.

Mr. Poon Tip has served on a number of local public and private sector boards and is a past president of the Trinidad and Tobago Manufacturers Association (TTMA) and past vice president of the Trinidad and Tobago Chamber of Industry and Commerce (TTCIC).

Every challenge we successfully conquer serves to strengthen not only our will, but our confidence, and therefore our ability to confront future obstacles.


SUBWAY
WE BAKE
OUR OWN
BREAD
SUBWAY

Everything just changed overnight. But we all pulled together and made sure everyone did what was necessary to keep each other and the public safe.

- Kay Anna Garcia

Executive Team

Marlon Danglade,
F.C.C.A., C.A.,
Chief Financial Officer

Devon Oudit,
B.Sc. – Ind. Eng. (Hons.),
M.Sc. – Ind. Eng., MBA (Distinction),
Vice President, Subway

Angela Laquis-Sobrian,
M.Sc. Human Resources (Distinction),
Post Graduate Diploma,
Education (Distinction), B.A. (Hons.),
Vice President, Human Resources

Simon Hardy,
B.Eng. (Hons.), F.C.A., C.A.,
Chief Executive Officer

Roger Rambharose,
B.Sc. (Hons.), F.C.C.A.,
Vice President, KFC

Rhea Singh,,
M.Sc. (Hons), B.Sc. (Hons),
Vice President, TGI Fridays

Kerri Hosein-Khan,
B.Sc. Economics &
Business Management,
Vice President, Starbucks

Jim Leung Chee,
B.Sc. Industrial Engineering;
MBA Business Administration,
Vice President Operations

Navin Maharaj,
B.Sc. (Hons.), MBA,
Vice President, Pizza Hut

Anthony Martins,
Vice President,
Market Development

Executive Team
-Continued

Marlon Danglade,
F.C.C.A., C.A.,
Chief Financial Officer

Mr. Danglade joined Prestige Holdings Limited as Chief Financial Officer in 2007 from PricewaterhouseCoopers, where he held the position of Audit and Business Advisory Services Manager. He has over ten years of auditing and business advisory experience and has led a variety of external audit engagements within the financial, manufacturing, retailing and transportation industries.

Mr. Danglade is a Fellow of the Association of Chartered Certified Accountants of the United Kingdom (FCCA) and a member of the Institute of Chartered Accountants of Trinidad and Tobago (CA).

Simon Hardy,
B.Eng. (Hons.), F.C.A., C.A.,
Chief Executive Officer

Mr. Hardy gained his formal education in the United Kingdom, having graduated with a bachelor's degree (Honours) in mechanical engineering from the University of Bristol. He then pursued a career in accountancy, qualifying as a Chartered Accountant and earning his certification in corporate treasury management in 2001 and 2003 respectively. Mr. Hardy is also a Fellow of the Institute of Chartered Accountants in England and Wales.

Prior to returning to Trinidad, Mr. Hardy worked in internal audit with a major international company in the United Kingdom, where he engaged with senior managers in trade, finance and operations. He also worked in India conducting risk assessments, examining service level agreements and ensuring good corporate governance.

Upon his return to Trinidad, Mr. Hardy joined a locally owned hospitality business in 2007 as the Group Chief Financial Officer. Within two years, he was promoted to the position of Chief Operating Officer, a position which he held until he joined Prestige Holdings in 2014.

Devon Oudit,
B.Sc. – Ind. Eng. (Hons.),
M.Sc. – Ind. Eng., MBA (Distinction),
Vice President, Subway

Mr. Oudit has over 15 years of management experience, having served in a number of management positions in both the manufacturing and retail industries, including five years within Prestige Holdings Limited as the Operations Manager – KFC. Over his career, he has led teams in the fields of production, quality control, supply chain, warehousing and planning as well as retail area management teams. He has had a particular focus on the integration of technology into business processes, including the implementation of automated robotics, forecasting tools and business analytics tools. He has also gained experience in the development and execution of a robust stewardship process to drive accountability and grow people capabilities.

He possesses a B.Sc. Industrial Engineering – UWI (1st Class), M.Sc. Industrial and Systems Engineering – Georgia Institute of Technology, MBA – Heriot-Watt University (Distinction). He also has achieved certification in manufacturing and logistics (Georgia Institute of Technology) and in project management (Project Management Institute). He is a former national scholarship (1997) and Fulbright scholarship (2001) recipient.

Roger Rambharose,
B.Sc. (Hons.), F.C.C.A.,
Vice President, KFC

Roger has over 12 years' senior functional experience both locally and internationally in finance, supply chain management, purchasing, sales and marketing across several industries. Prior to joining PHL, he held the post of Commercial Director of Unicomer (Trinidad) Ltd. and, before that, he was a senior executive at Kimberly Clark. He holds a bachelor's degree (Honours) in management from the University of the West Indies with specializations in economics and finance. Roger is also Fellow of the Association of Chartered Certified Accountants of the United Kingdom (FCCA).

Executive Team

-Continued

Angela Laquis-Sobrian,
M.Sc. Human Resources (Distinction),
Post Graduate Diploma,
Education (Distinction), B.A. (Hons.),
Vice President, Human Resources

Ms. Sobrian has over 15 years' experience in human resources management, specializing in the areas of strategic planning, performance management systems, training and organizational development, and compensation and benefits. Prior to joining Prestige Holdings Ltd., she served as the Human Resources Manager of a major organisation where she played an integral role in the strategic planning process and alignment of the performance management system with company goals and targets.

Ms. Sobrian holds a master's degree in human resources, with distinction, from the Arthur Lok Jack Graduate School of Business; a bachelor of arts degree with honours and a postgraduate diploma in education, with distinction, from the University of the West Indies. She has also been certified as a Compensation and Benefits Professional from the World @ Work organisation, based in the U.S. Ms. Sobrian has successfully completed several training programmes, locally and abroad, in areas such as management and leadership development, organizational change and strategic management.

Jim Leung Chee,
B.Sc. Industrial Engineering;
MBA Business Administration
Vice President Operations

Mr. Leung Chee has over 20 years' experience in the areas of Supply Chain, Procurement and Engineering-planning. Prior to joining Prestige Holdings Limited, Mr. Leung Chee held a number of executive and senior management positions with several multinational and large local companies in various industries such as Energy – upstream, power and petrochemicals, Telecommunications and FMCG – beverages.

Mr. Leung Chee has made several innovative contributions in the fields of Supply Chain and Technology. Among those contributions, include the innovation, development and monetization of an e-tender application software system. He has also appeared on several media programs and public forums speaking on technology in the procurement process.

Currently, Mr. Leung-Chee holds a B.Sc. in Industrial Engineering from UWI, an Executive MBA from the Arthur Lok Jack Graduate School of Business and has been trained as a Certified Quality Manager (CQM) from ASQ.

Rhea Singh,
M.Sc. (Distinction), B.Sc. (Hons),
Vice President, TGI Fridays

Ms. Singh has over 16 years of progressive responsibility in the areas of business development, brand building, strategic planning and people development.

She has worked in the Fast Moving Consumer Goods (FMCG) business where she managed a diverse portfolio of local, regional and international consumer brands. During this time, she gained invaluable experience in distribution, business analytics, profit and loss improvements and formulating successful marketing campaigns. She also served as a Director on two boards within the Ansa McAL Group. Prior to this, she worked in the financial services sector with Western Union (US Outbound) in Florida.

She holds a bachelor's degree in sociology and management and a master's degree in marketing, with distinction, from the University of the West Indies. During her career, she also completed several leadership programmes in the areas of strategic management and organizational change and development.

Navin Maharaj,
B.Sc. (Hons.), MBA,
Vice President, Pizza Hut

Mr. Maharaj has worked extensively with both multinational corporations and regional conglomerates in the Caribbean. He has worked in various positions across many departments including Quality, Supply Chain, Trade Marketing, Marketing and Sales.

Mr. Maharaj holds a bachelor's degree (double major) in both chemistry and biochemistry from the University of the West Indies and an MBA from Heriot-Watt University, specializing in international trade and finance.

Executive Team

-Continued

Kerri Hosein-Khan,
B.Sc. – Economics & Business Management,
Vice President, Starbucks

Ms. Hosein-Khan joined Prestige Holdings Limited as Internal Audit Manager in 2007 from EY - Risk Advisory Services team where she performed business process reviews and improvements, internal audits and forensic engagements across a multitude of industries both locally and regionally spanning the energy sector to the financial services sector.

As Internal Audit Manager, she held oversight responsibilities for the improvement of risk management, governance and control systems. She was responsible for reporting on internal control performance and continuous evaluations and improvements to drive operational and financial efficiency across the Company's restaurants and restaurant support centre. Over her career, she has honed her skills at profit and loss management, process efficiency optimisation and building people capabilities.

She holds a bachelor's degree in economics and business from the University of the West Indies and during her career, she has completed several programmes in the areas of risk management, contract and procurement fraud and leadership and emotional intelligence.

Anthony Martins,
Vice President,
Market Development

Mr. Martins joined Prestige Holdings Ltd. in 1978 as a Shift Supervisor at KFC St. James, our very first restaurant in Trinidad. Since then, he has held several positions including Area Manager, Research and Development Manager and Quality Assurance Manager. In 1991, he was promoted to Business Development Manager. This significant portfolio provided him with in-depth knowledge and experience in market mapping, market segmentation and site selection using world class methodologies.

Mr. Martins has attended extensive overseas training programmes covering operations, business development, quality assurance and research.

At PHL we are a family. When schools got shut down many of our people didn't have laptops for their children. A few days later, we were distributing laptops to those staff members. But we didn't stop there, we even distributed to those within communities who needed them the most.

Report of the Audit Committee

The Group Audit Committee assists the Board in fulfilling its responsibility to oversee Management's implementation of financial reporting and risk management processes as set out in the Audit Committee Terms of Reference. In performing its work, the Committee considers the following: -

- Reliability and integrity of the accounting principles and practices.
- Internal audit functions.
- Risk management functions.
- Qualifications, independence and performance of the external auditors.
- The effectiveness of the system of controls and procedures.
- Compliance with legal and regulatory requirements.

The Committee has reviewed and discussed the quarterly unaudited results, the annual audited financial statements and the audit plan with the company's management and the external auditors.

The Committee met four (4) times for the year 2020.

The Audit Committee

Angela Lee Loy, Chairman
Kurt A. A. Miller
Rene de Gannes

Working during the pandemic really reminded me of what's really important, family and friends.

- Ronella Abraham & Shenika Reece

The courage and selflessness of those frontline workers really touched me and our KFC family. So, when called upon to help serve meals to those heroes, I counted it as a true privilege.

Report of the Human Resource and Compensation Committee

The Human Resource and Compensation Committee comprises three non-executive directors of the Company.

This Committee supports the Board of Directors in matters of human resource policies and practices, including executive compensation structure and incentive programmes, monthly rated employees' salary levels/compensation programmes, changes to the executive organizational structure, executive medical examinations, and board compensation.

During the year, the Committee held four meetings and dealt with the following matters:

- Award of 2019 performance bonuses based on achievement of individual and Company's objectives for that year
- Approval of adjustments to management and general compensation for 2020
- Review of profit performance bonus structure and share grants for 2021

Human Resource and Compensation Committee

Martin de Gannes, Chairman
Neil Poon Tip
Christian E. Mouttet

Report of the Corporate Governance and Nomination Committee

The Corporate Governance and Nomination Committee comprises three non-executive directors of the Company.

This Committee supports the Board of Directors in matters of corporate governance, including evaluations of the Board and individual directors, nomination of directors, mandates for sub-committees of the Board, structure and membership, code of ethics and conflicts of interest, performance evaluation of the Chief Executive Officer and executive succession planning.

During the year, the Committee held two meetings to evaluate the performance of the Board and dealt with the following matters:

- succession planning
- term limits for directors
- board evaluations
- company vision
- return on invested capital for the Company
- best practice and structure for internal audit function

The Company is in compliance with the Trinidad and Tobago Corporate Governance Code.

Corporate Governance and Nomination Committee

Kurt A. A. Miller, Chairman
Christian E. Mouttet
Neil Poon Tip

Report of Directors

The Directors are pleased to present their report for the year ended 30 November 2020.

1. **CONSOLIDATED FINANCIAL RESULTS AND DIVIDENDS**

	$
Loss attributable to shareholders	(17,748,682)
No dividends paid during the year	--
Retained loss for the year	(17,748,682)
Retained profits brought forward from prior year	268,441,924
Retained profits at end of year	250,693,242

2. **DIVIDENDS**
No interim dividends were paid for financial year ended 30 November 2020.

On 25 February 2021, the Board of Directors recommended a final dividend of 6 cents per common share for the shareholders' approval at the Annual Meeting, which will bring the total dividends payable for the financial year 2020 to 6 cents. The final dividend will be paid on 18 May 2021 to shareholders whose names appear on the Register of Members on 12 April 2021.

3. **DIRECTORS**
The Directors as of 30 November 2020 were as follows:-
Christian E. Mouttet, Angela Lee Loy, Martin de Gannes, Kurt Miller, Rene de Gannes, Neil Poon Tip and Simon Hardy.

In accordance with paragraph 4.5 of the Company's By-Law No. 1, the term of office of Martin de Gannes, Neil Poon Tip and Simon Hardy expire at the close of the Annual Meeting to be held on Monday 26 April 2021. Mr. de Gannes, Mr. Poon Tip and Mr. Hardy, being eligible, offer themselves for re-election as Directors for the term from the date of his election until the close of the third Annual Meeting following their election, subject always to earlier termination under paragraph 4.8.1 of the Company's By-Law No. 1.

4. **AUDITORS**
The retiring auditors, Messrs. PricewaterhouseCoopers, have expressed their willingness to be re-appointed and are eligible for appointment as auditors of the Company.

5. **BENEFICIAL INTERESTS OF DIRECTORS, SENIOR OFFICERS AND THEIR CONNECTED PERSONS AND A LIST OF SUBSTANTIAL OR LARGEST INTERESTS.**

In accordance with the requirements of our listing agreement with The Trinidad and Tobago Stock Exchange Limited ("the TTSE") and Rule 601 of the Rules of the TTSE, we record hereunder details of the beneficial interest of each Director and Senior Officer together with their connected persons in the share capital of the Company as at the end of the Company's financial year 30 November 2020.

Report of Directors
-Continued

DIRECTORS

Director	Beneficial Interest	Options Granted Under Share Option Plan	No. of Shares Held by Connected Persons
Christian E. Mouttet	Nil	Nil	42,685,422
Angela Lee Loy	Nil	Nil	Nil
Simon Hardy	Nil	Nil	Nil
Kurt Miller	40,000	Nil	Nil
Martin de Gannes	Nil	Nil	Nil
Rene de Gannes	Nil	Nil	Nil
Neil Poon Tip	Nil	Nil	Nil

There are no other interests held by the Directors.

SENIOR OFFICERS

Senior Officer	Beneficial Interest	Options Granted Under Share Option Plan	No. of Shares Held by Connected Persons
Marlon Danglade	Nil	Nil	Nil
Anthony Martins	79,996	Nil	Nil
Angela Sobrian	3,864	Nil	Nil
Navin Maharaj	Nil	Nil	Nil
Rhea Singh	Nil	Nil	Nil
Devon Oudit	Nil	Nil	Nil
Kerri Hosein-Khan	Nil	Nil	Nil
Roger Rambharose	Nil	Nil	Nil

Report of Directors
-Continued

SUBSTANTIAL INTEREST/LARGEST HOLDERS
In accordance with the requirements of our listing agreement with the TTSE and Rule 601 of the Rules of the TTSE, we list below those persons holding the ten (10) largest block of shares legally and beneficially in the Company as at the end of the Company's financial year 30 November 2020.

6. **DISCLOSURE OF INTEREST OF DIRECTORS AND OFFICERS IN ANY MATERIAL CONTRACT**

Senior Officer	Legal Interest	Beneficial Interest
Victor E. Mouttet Limited	Nil	33,085,422
GNM Properties Limited	Nil	7,200,000
JMM Properties Limited	Nil	2,400,000
Employees Profit Sharing & Share Ownership Plan	Nil	1,515,655
Joseph P. Esau	Nil	1,200,000
Guardian Life of the Caribbean Limited	Nil	1,121,664
RBC Trust (Trinidad and Tobago) Limited – T964	Nil	1,083,852
Pelican Investments Limited	Nil	1,000,000
Scotiabank Trinidad and Tobago Limited Pension Fund Plan	Nil	742,270
RBC Trust (Trinidad and Tobago) Limited – T585	Nil	605,574

No director or officer of the Company is an officer or director of any company or has a material interest in any company which is a party to a material contract or proposed material contract with the Company.

The Directors wish to express their appreciation to the management and staff for the work done during the year and look forward to another exciting year.

By Order of the Board
Dated this 24th day of March 2021

CHRISTIAN E. MOUTTET

MARLON DANGLADE

Management Discussion and Analysis

Overview

2020 is best described as one of extremes. Our first quarter results were extremely strong, where our reported profits before tax increased by 50% compared to the same period in 2019 (77% increase excluding the impact of IFRS16). 2020 had started with strong momentum and promised to be a very successful year.

This promising start rapidly turned for the worse shortly after our first quarter finished. The news of a worrying new virus originating on the other side of the world was soon to become a reality for us in Trinidad and Tobago. The COVID-19 virus landed on our shores with the first confirmed case reported on March 12, 2020. Our primary concern was the safety and security of our team and of our customers. We took proactive steps to keep our team and customers safe and implemented measures to deal with this new COVID-19 Pandemic. These measures included the installation of Perspex guards at our customer facing front counters, sanitisation stations for customers, increased santisation protocols at all high touchpoints areas in our restaurants, temperature checks for our staff and social distancing policies. These proactive steps helped to form the basis of the Government's protocols dealing with the restaurant industry.

The steps taken by the Government to combat the COVID-19 pandemic in Trinidad and Tobago were necessary to protect the country from a more severe impact. However, these measures significantly impacted the restaurant industry, of which we are part. These measures required full closure of our business for 34 days, as well as restrictions on in-restaurant dining on multiple occasions, reduced operating hours and the restriction on the sale of alcoholic beverages for our in-restaurant dining customers. This level of disruption has not been experienced in recent memory and can clearly be seen in our financial results.

In response to the impact on our business, we pivoted to our convenience driven sales channels that addressed our customers' changed purchasing habits and safety concerns, arising out of the COVID-19 pandemic. We added the delivery service to Subway and Starbucks and grew the delivery service to our KFC, Pizza Hut and TGI Fridays brands. In addition, we have sought to keep up with global trends whereby all of our brands have added the capability to order from us via online channels and KFC also launched a mobile App.

In conjunction with our efforts to keep serving our customers in the way they preferred during the pandemic, we took significant steps to preserve our cash during this crisis by reviewing our cost base for savings across a number of different initiatives.

Our industry is people-based and to assist our team members during this disruption, we provided direct financial assistance as well as food hampers to our staff. Additionally, we provided support in the form of meals in recognition of the valiant efforts of the first responders in the protective services and medical profession.

Management Discussion and Analysis
-Continued

Whilst the continuing economic impact of the COVID-19 pandemic is still hard to predict, we are confident in the future of our brands in Trinidad and Tobago. We are continuing to reinvest and will be adding four new Starbucks restaurants as well as one new KFC in 2021. Our reimaging programme, bringing our customers the latest in restaurant design and experience, will also continue.

I want to take this opportunity to recognise the resilience and dedication of the entire Prestige family during this historic year. The level of challenge and the speed at which initiatives were launched to overcome these challenges is testament to the strength of the Prestige family. It is only through their efforts that we were able to get through 2020 and be in a position to capture the opportunities in 2021 and future years. Thank you for your support during these difficult times.

FINANCIAL PERFORMANCE

FINANCIAL REVIEW HIGHLIGHTS

Significant accounting standard applicable to the Group

The Group has adopted IFRS 16 'Leases' in these financial results ending 30 November 2020. The Group has decided to adopt the standard as at 1 December 2019 without any restatement of the results for prior periods, which continue to be presented under IAS 17 'Leases' and which may therefore not be fully comparable.

The impact of IFRS 16 resulted in the following:

- recognition of a lease liability for rental costs and corresponding right-of-use asset in the balance sheet; and
- removal of the rental costs from the income statement and replaced it with a depreciation charge in respect of the right-of-use asset and a finance charge in respect of the unwinding of the lease liability.

Highlights

- Revenue for 2020 was $897 million, representing a decrease of $216 million or 19% over 2019 ($1.11 billion). Revenue was generated from an average number of 129 restaurants, compared with 127 restaurants in 2019.
- Operating profit inclusive of the impairment charge on goodwill ($18.6 million) and before finance costs and income tax decreased by 91%, from $59.4 million to $5.5 million. Excluding the goodwill impairment charge, the performance decreased by 59%.
- Finance costs increased by $16.17 million primarily driven by finance charges incurred on the newly adopted IFRS 16 'Leases', totalling $16.13 million.
- Interest cover (EBITDA / Interest Expense) was 5.3 as against 21.5 in 2019.
- Loss for the year including the goodwill impairment charge was $17.7 million as against a profit of $35.8 million in 2019.
- Return on capital employed decreased from 16% to 0.9%.

Management Discussion and Analysis

-Continued

Highlights (continued)

- Return on invested capital decreased from 12.2% to 1.3%.
- Earnings per share (EPS) decreased from 58.7 cents to (29.1 cents).
- Net debt-to-equity ratio inclusive of IFRS 16 impact was 53:47. Excluding IFRS 16 impact, the net debt-to-equity ratio was 8:92 (2019: 4:96).
- Total assets increased from $535 million to $799 million driven primarily by the adoption of IFRS 16 'Leases' and the recognition of the right-of-use assets totalling $289 million as at 30 November 2020.
- Cash generated from operations decreased by 69%, from $124 million to $85 million.
- The Group reinvested $48.6 million in capital expenditure in 2020, compared with $64.7 million in 2019.

Revenue

Revenue by quarters

	FY 2020 $'M	FY 2019 $'M	$ change $'M	% change
First Quarter	291,258	256,573	34,685	114%
Second Quarter	137,034	281,077	(144,043)	49%
Third Quarter	237,830	292,832	(55,002)	81%
Fourth Quarter	230,796	282,451	(51,655)	82%
Annual Revenue	**896,918**	**1,112,933**	**(216,015)**	**81%**

Revenue for the first quarter began positively but was then severely impacted by the effect of the COVID-19 pandemic and the resulting mandatory closure of our restaurants during April and May (closed for 34 days during our second quarter) coupled with reduced dine-in capacity upon re-opening. We have experienced some revenue recovery from the third quarter but this growth is far from our normal pre- COVID-19 levels.

All brands achieved lower revenue growth with our TGI Fridays™ having the greatest adverse impact.

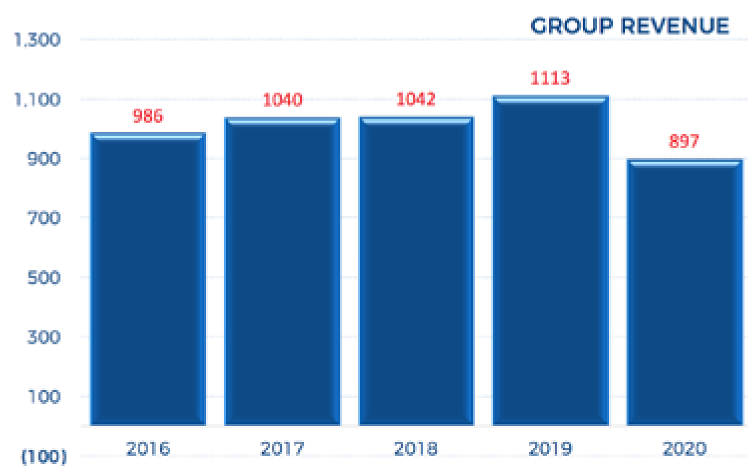
Management Discussion and Analysis

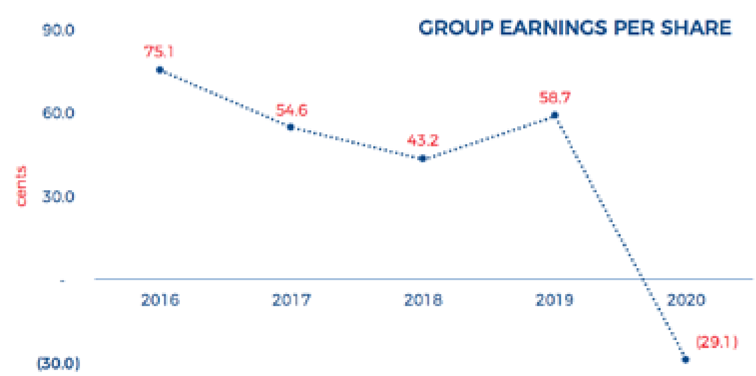
-Continued

Trinidad and Tobago Operations

The restaurants' contribution (excluding administrative and finance costs) from our Trinidad and Tobago operations decreased by 33% as compared to the prior year. This decrease was attributable to the following:

- revenue decreased by 19%;
- a marginal increase in food costs driven by higher commodity prices;
- labour cost decreased by 17% (or $26.4 million). This was primarily driven by:
  - reduced salary payments during the period of closure in April and May;
  - reduction in labour hours worked post opening, as restaurants are required to close by 10:00 PM;
  - our rostering process was realigned to the reduce revenue transaction levels;
  - reduction in the employer's national insurance cost due to the lower salary paid;
  - reduction in the restaurants' level KPIs incentive payments;
- other restaurants' operating expenses decreased by 7% (or $8.4 million), driven primarily by reduced maintenance, security and utilities charges. The reduction included an increase in the home delivery associated costs, as there was a significant revenue growth in the home delivery channel; and
- restaurants' fixed costs (rent, depreciation and amortisation) decreased by 21%. The effect of IFRS 16 resulted in a depreciation on right-of-use assets offset the removal of the rental costs from the consolidated income statement. In addition, we received COVID-19 rental concessions from our landlords.





Management Discussion and Analysis
-Continued

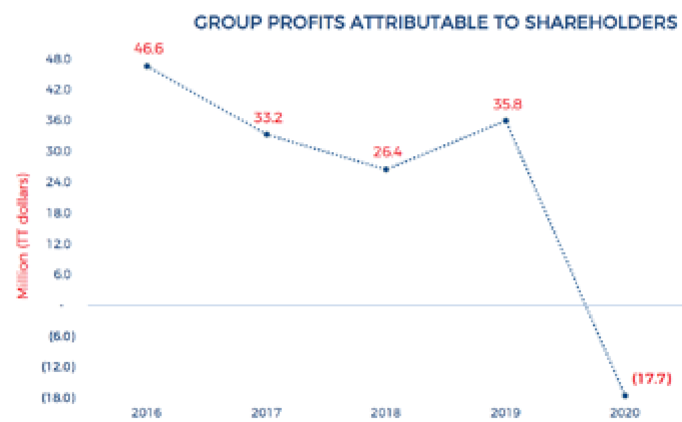
Trinidad and Tobago Operations (continued)

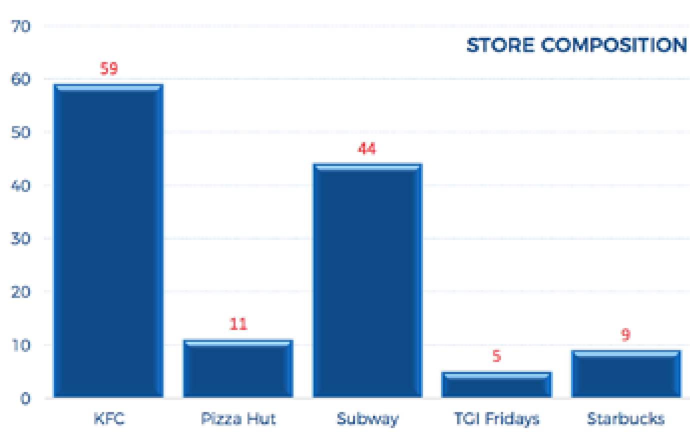
Administrative expenses decreased by 17% (or $14.1 million) when compared with the previous year. Some of the key drivers to this movement included:

– an increase in depreciation charge (new charge on right–of–use assets) due to the adoption of IFRS 16. The depreciation on right-of-use assets was $1.8 million. This was offset by the credit arising from the IFRS 16 rental adjustment inclusive of rental concessions from landlords totalling $2.3 million;
– a decrease in employees' benefit expenses by $6.2 million driven primarily by the temporary reduced salaries paid to administrative staff during April 2020 to June 2020, reduced incentives and a net credit to the income statement arising from the remeasurement of the ESOP awards liability at the end of the financial year;
– foreign exchange losses incurred decreased from $3.7 million to $2.6 million. The foreign exchange losses were primarily due to the settlement of our United States suppliers in alternative currency (Euro).;
– our inability to travel overseas for international conferences and training due to the closure of the borders resulted in a decrease in overseas travelling expenditure by $0.8 million; and
– given the COVID-19 restrictions, we postponed several major internal activities, which would have resulted in significant cost savings. Alternatively, we utilised Microsoft Teams and or Zoom meetings and kept connected with our employees, business partners and international franchisors.

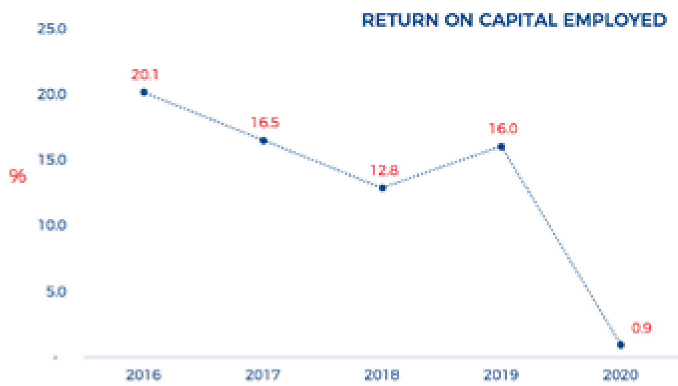
Overseas Operations – TGI Fridays™ Jamaica

Similar to Trinidad and Tobago, our TGI Fridays™ Jamaica operation was gravely affected by the COVID-19 pandemic. The operation generated a pre-tax loss of $1.05 million (2019: profit of $1.6 million). The adverse result was mainly due to the lower revenue, which fell by 48% when compared with the previous year. We were able to curb operating expenses including a reduction in salary costs during the restaurant closure and tighter management of maintenance and utilities expenses.





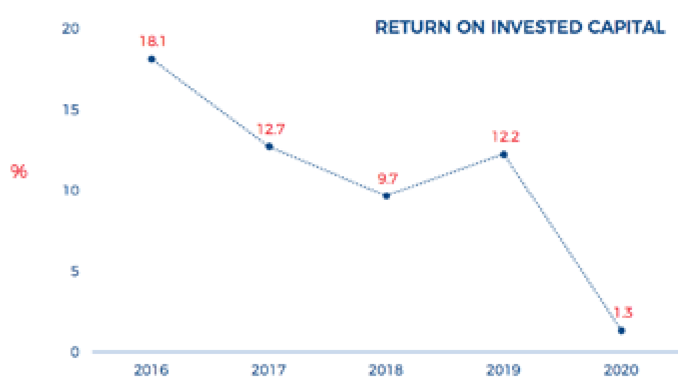
Management Discussion and Analysis
-Continued



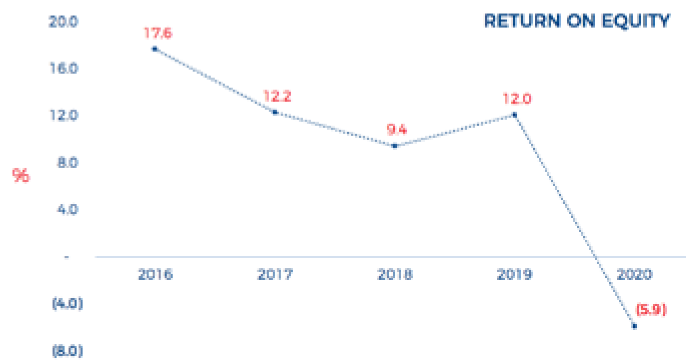
Capital Expenditure (including intangible assets)

Capital expenditure (net of proceeds on disposal of assets) for the year totalled $49.6 million (2019: $67.3 million). In our first quarter 2020 and prior to the adverse impact of the COVID-19 pandemic, we acquired land totalling $36.7 million. The purpose of the land is to construct our new Operations and Distribution Centre during our second quarter 2021. Other capital expenditure included restaurants' kitchen and information technology equipment, COVID-19 preventative assets (sneeze barriers) and replacement of motor vehicle fleet.

Share Price



The Company's share price as at the close of trading on 30 November 2020 was $7.25, showing a decrease of $1.15 from 30 November 2019. As at 28 February 2021, the Company's share price increased to $7.70.



Building People Capability

Our annual human resource plans underwent a major shift in 2020 to reflect the challenges presented by the pandemic. Despite this, we were able to navigate through this crisis by successfully managing our human resources during a very difficult time. We focused our attention on accelerating our virtual platform to quickly reach out, engage and motivate our teams on a number of levels.

With the significant increase in e-commerce activity and digital transformation, we have worked with our management teams to assist with the rapid changes in the way we do business at our stores via the on-line platforms and curb side. We introduced and implemented the Talent Management System (TMS) to support

Management Discussion and Analysis

-Continued

Building People Capability (continued)

the new operational demands. This system allowed us to upload relevant training courses to the tablets that were previously assigned to each store. Employees were quickly able to access revised and updated tools, materials, deployment strategies, food safety and service standards to accommodate the increased demands. However, given the vast growth in our e-commerce business after the "lockdown," opportunities still exist to enhance our service levels to our customers and we remain committed to do so via all channels.

We also revamped our recruitment and onboarding processes to facilitate the new environment in light of the demands for increased delivery personnel. On-line recruitment became the norm while we also decentralized our hiring process by conducting our Orientation and On-Boarding activities virtually with new hires at the store. On-boarding and training activities were also monitored to track progress. This shift to a virtual platform helped reduce the time to fill vacancies, alleviated the overall cost of recruitment and made it easier and quicker for applicants to join the organization.

Not only has the virtual approach been critical to reducing physical interaction at the RSC and stores, but it has made coaching, training and the development of our people more convenient and efficient. Feedback from participants on the virtual approach and methodology has been positive, who highlighted the level of interaction and connection achieved via the "gamification," on-line quizzes and other real time activities employed.

During the height of the shutdown of our economy, we also provided needed assistance to our employees. We paid all our employees a monetary stipend during lockdown and distributed over 3,000 food hampers to employees. We also provided tangible assistance to those employees who were in dire need during the course of the year. In addition, with the closure of schools and the introduction of online schooling brought about by the pandemic, we provided laptops and other devices, on a tiered basis, by firstly donating a laptop to the children of employees who were preparing for SEA and CXC examinations, followed by those who were unable to afford and/or access a laptop.

To continue to retain connection with our teams, in an environment that restricts the number of persons congregating, we increased our communication virtually to alleviate some of the fears that employees may have felt during this time. After lockdown, we also conducted a number of "townhall" meetings to reach out to employees face to face, while observing all existing COVID-19 protocols.

Against this backdrop of the pandemic, I wish to thank our employees for working closely with us during these difficult economic times. Our employees united to face the challenges before us and adapted to the online transformation successfully and in record time. We are confident that, with the continued commitment of our people, we will be able, in 2021, to build on the foundations established in 2020.

KFC

In 2020, KFC kicked off the year with exceptional results. We had a successful Carnival campaign and activated in many prevalent events.

Management Discussion and Analysis

-Continued

KFC (continued)

However, from March 2020, our restaurants were impacted with various government restrictions due to COVID-19 –the closure of the dine-in channel, full restaurant closure, reduced in-dine levels at 50% capacity and reduced operating hours.

Our recovery has been fuelled by a series of value driven marketing campaigns, the introduction of new convenience channels and the digital transformation of the business. We launched Curb side pickup in March to combat the decline in our Front Counter sales due to the closure of the dine-in service and to promote a more convenient and safe to order KFC. Digitally, we launched our e-commerce web site in June and the KFC App in September to increase our online ordering presence while executing exceptional consumer promotions and interactive marketing campaigns.

Our 2020 marketing initiatives continued to be unique and innovative, combining an exciting mix of value initiatives and integrated campaigns. Given the tough economic environment and to drive transactions we took a value-driven two-pronged approach by offering great deals at both the high end and the low end. In addition, we added aggressive offers on specific days of the week – Terrific Tuesdays, Mega Sundays and Sandwich Wednesdays on all channels as well as offers specific to online purchases.

In 2020, we further seeded our brand in the hearts and minds of our customers during a very difficult economic period due to the pandemic – many people encountered job losses and reduced working hours. KFC donated over 3,000 meals and food hampers to our deserving internal and external customers throughout the nation. We also partnered with SEWATT and several Regional Corporations to provide meals to persons affected by the downturn in the economy in 2020. In addition, we have sponsored a number of key social initiatives and NGOs namely the Blind Welfare Association, Central Super League/Endeavour Sports Club, Beetham Life Centres, T&T Fire Station, Police Youth Clubs, Regional Corporations (Tunapuna/Arima, Chaguanas), National Mining Organisation and religious institutions.

Due to the closure of schools and outdoor sporting activities, KFC also partnered with the Rampat Cricket Academy to provide an online training cricket program to encourage our youth to keep practicing in the sport. In addition to fostering sport virtually, KFC also distributed 100+ laptops to our deserving customers to aid in their virtual learning.

In 2020, KFC continued our Harvest collaboration with the Living Waters Community. The Harvest program is the world’s first prepared food donation program and our restaurants have donated more than 2,000 lbs of excess food in 2020. This has resulted in over 5,000 meals being served to the homeless and other persons in need.

After 47 years in Trinidad and Tobago, KFC has formed a strong bond with our consumers, which we treasure deeply. We remain passionately committed to “Helping People Taste Happiness Every Day.”

Management Discussion and Analysis

-Continued

Pizza Hut

Pizza Hut commenced 2020 with a full revamp of its pricing across all menu items. The objective was to improve affordability and competitiveness, while growing sales and sustaining profitability. Unfortunately, with the full impact of COVID-19 hitting Trinidad and Tobago in March 2020, the market experienced lower transactions. This negatively impacted our plan, instead resulting in lower sales and the knock-on effect on profitability.

In an effort to compete for transactions and sales, and regain profitability for the brand, we revised our strategy in May 2020. The brand re-launched its offerings with new communications and focus. This plan was expected to turn around the negative movement of sales.

Though COVID-19 in 2020 presented many challenges, it also created major opportunities for the brand, with a focus on speed and convenience. We focussed on addressing marketing and operational innovations and efficiencies. It also required a focus on improvement of our people. The brand therefore pivoted quickly in all these areas.

We were able to quickly meet the Government requirements for Dine-in and Carryout customers. This included installation of signage, training of staff and implementation of key COVID-19 protocols, for example, sneeze guards in all Carryout locations and socially distanced seating in Dine. One of the major achievements was the launch of “Virtual Drive Thru” for our large Dine stores. This project allowed customers to drive up to our Carryout areas and collect Call Ahead orders without leaving the safety of the car. This was well received by our customers.

The challenges of COVID-19 accelerated the move in Pizza Hut to launch online ordering on June 24, 2020 in a matter of weeks. We partnered with a key supplier and launched online ordering — using the Web, WhatsApp and Facebook platforms — within two weeks from planning to implementation. This was not only record breaking but it also proved the power of people and process committed to a common vision. The online platforms provided the ability to reach customers who would have been alienated due to COVID-19 restrictions. The technology in the brand changed our level of competitiveness and service and very quickly rose to contribute 25% of our sales monthly. We continue to work on the seamless processing of orders to better serve our customers.

In order to further protect our customers during COVID-19 and improve our service to them we also introduced Curb side spot and table side (in Dine) ordering using your own mobile device. This was facilitated via integrated QR codes linked to our online ordering platform. The brand will continue to explore the customer journey for each of our channels to achieve a seamless process and improved customer experience.

As mentioned earlier, our focus to digitalize the brand did not stop at online ordering, but extended to the operational process of improving kitchen efficiency and delivery to customers. Further enhancements will be launched in 2021.

Management Discussion and Analysis

-Continued

Pizza Hut (continued)

When it came to our people, the brand was able to secure the highest rating for Food Safety in 2020. This has demonstrated that the management team at our stores continues to drive process excellence in their daily duties. The growth of our people continues to be one of the main focuses of the brand. In 2020 we also implemented in-store training across all stores to ensure our team members are being trained on a regular basis. In addition, we embarked on the use of online learning platforms for all levels in the team. This is a major accomplishment for the brand especially during the COVID-19 period. The use of the Microsoft Teams online platform proved to be a valuable tool to stay connected with our employees, and has been the main tool used for all meetings in the brand. The brand continues to explore technology to keep connected and engaged with our employees.

TGI Fridays™

This was a year with many changes brought on by the far reaching impact of the COVID-19 pandemic. Not only were the restaurants closed due to Government regulations but when we re-opened we had to transform the way we did business as we were unable to offer Dine-In Services to our guests.

The need for convenience and reduced physical contact necessitated several changes to our operations. We quickly launched delivery and our To-Go/Curb side services and utilised technology to offer online ordering to our guests via our website, Facebook Messenger and WhatsApp.

As usual, the safety of our employees and guests was of paramount importance so we were agile in implementing the necessary safety protocols established by the Government as well as TGI Fridays™ International. We did a full re-training for the restaurant team and also included additional safety measures like partitions between tables to further promote safety within our restaurants.

Understanding the importance of value to our guests coupled with their appreciation for innovative menu items, we executed several successful promotions, including Any 2 Entrées, Valentine's Day, Celebrate at Home 3 Course Menu and participation in Restaurant Week. All of these activations revolved around offering our guests a combination of high quality, hand-crafted food and drink at an unbeatable price point.

Providing exceptional guest experiences remains a key focus area for the brand. This commitment to operational excellence had all team members once again engaged in refresher training sessions in all areas of operations, including Service Champions, Sales & Hospitality, COVID-19 Protocols training, 120 Days of Excellence (BOH Team) and Best Corner Bar in Town training. All of our Managers were also re-certified in Food Safety under the ServSafe platform.

Even though the brand is known for being fun, we are very serious about positively impacting our internal customers and the communities we serve through our social initiatives. This year through the kind sponsorship of the Victor and

Management Discussion and Analysis

-Continued

TGI Fridays™ (continued)

Sally Mouttet Foundation, we were able to provide all of our employees with food hampers. We also continued with our Annual Charity Christmas Box Project, which is championed by our team members at our restaurants and is used to share a little bit of Fridays in the hearts and homes of many less fortunate families.

2020 was a year filled with far reaching changes but the quick implementation of key strategies and the strength, passion and resilience of our team has undoubtedly made the business stronger, as we continue to remain true to the brand promise of "In Here, it's Always Friday".

Subway

2020 was a year of opportunities for Subway, despite the global challenges. Like the rest of the world, the team had to find new ways to connect with our guests. The result was a year of significant change, with the realization of new channels and ordering options, new menu selections and a renewed passion to take the brand forward.

The nationwide changes which accompanied the arrival of COVID-19 impacted Subway greatly, with dine-in restrictions and reduced operating hours in our stores. However, we worked quickly towards providing a safe environment for our staff and customers, with the installation of sneeze guard barriers, the placement of hand sanitizer stations as well as heightened cleaning protocols in all stores.

Innovation continued to be a major theme at Subway, with the following promotions being launched at the start of the year: Pit-Smoked BBQ Chicken, Cheesy Garlic Bread, Rotisserie Chicken and Signature Wraps. Even after the changes to the way we worked due to the pandemic, innovation continued, with the introduction of Subway's 8" Pizza options (Chicken Teriyaki, Veggie, Pepperoni, Cheese), Bread Pudding (made from Subway's very own bread and cookies), Belgian Waffles and Korean BBQ Chicken.

Subway continued to provide value offerings throughout the year. The everyday affordability pillar was reworked with an amended $25 Daily Deal offer, focusing on discounted 6" subs and drinks, highlighting both the attractive price as well as variety. A $20 FRESH Fix Limited Time Offer was launched during the post- COVID-19 store reopening period (Q2–Q3). Bundle options were also heavily featured – SUBlime, SUBlime PM, Share the Moment and FOOTLONG Feast. These options offered great value and allowed the brand to be in our guests' consideration when purchasing group meals.

The brand also seized opportunities to engage and give back through occasions and promotions, including Salad Art, Valentine's Day, Leap Day, Father's Day, Independence Day, Republic Day, Restaurant Week, SEA Exams and Results, celebration of new Pizza Guests via social media and through donations to essential workers. Two co-branded promotions with our beverage partner also made it into the calendar – FREE Promotional Cups for FOOTLONG Feast Guests and a year-end finale: a Laptop and Tablet Give-a-way for 125 random Guests.

The need to add delivery as an option in Q2 was apparent and was embraced by Subway. Drivers, printed menus, communication of a delivery

Management Discussion and Analysis

-Continued

Subway (continued)

number (226 SUBS) digitally and through flyers was implemented in record time – 23 locations were mobilised to offer delivery within a two-week period.

On the heels of delivery as a new channel, new online ordering options were agreed, and by Q3 Guests were able to order Subway online, via WhatsApp, Facebook Messenger and through a third party – foodDROP.

A renewed passion for Subway was the result of a tumultuous year. Embracing new opportunities was the theme of 2020 and the team is eagerly looking forward building on these opportunities to continue the development and growth of the brand in Trinidad and Tobago.

Starbucks

Starbucks entered 2020 with great expectations, looking toward celebrating 4 years of operating in Trinidad and Tobago. The Q1 fiscal performance showed phenomenal growth over prior year and the brand was poised to have an eventful and successful year. As we entered Q2, with little warning, an obscure virus, made its way to our shores and we faced the beginnings of the COVID-19 pandemic.

Our plans were turned upside down, almost instantaneously and the course ahead, was no longer the smooth sailing as we projected. At Starbucks, we have a saying “flex the play” which simply means that you have to adapt quickly to the situations and needs that are presented. So, flex the play we did!

Our first priority was to ensure the safety of our partners and customers. Proactively growing our knowledge and understanding, together with guidelines put forth by the Government, we were the first country in the Starbucks Latin America and Caribbean region to install protective screens in our cafes. We did not stop there, and complemented these protective screens with social distancing floor stickers, safe seating signs, hand sanitizer stations at all entrances and distributed Starbucks branded facemasks to all our partners.

Having taken care of the safety measures, we turned our attention to the community as we always seek to better the neighborhoods in which we operate. Kicking off on International Day of Happiness and culminating on National Doctors' Day, we distributed free coffee to several hospitals nationwide with the assistance of the Trinidad and Tobago Medical Association. In-store, we offered a complimentary cup of coffee to any doctor or nurse that needed a boost. We also collaborated with the ISOS Foundation to provide signature coffee travelers and bakery treats for the TTPS.

As the pandemic experience continued to evolve, with agility and in the midst of home schooling and work from home guidelines, we strengthened our 4th Place experience by sharing demonstrations of how to make coffee at home using different brewing methods. Shortly after, we launched a 9-part series of virtual coffee tastings, which took viewers on a palatable journey of coffee to all our stores across the country from the flagship South Park store in San Fernando to our Movie Towne anchor store in Port of Spain.

Management Discussion and Analysis

-Continued

Starbucks (continued)

However, we still had to answer the biggest question, which was how to deliver our products to our customers when restrictions on movement and gathering were becoming the new normal. We focused on convenience for our customers to successfully launch Delivery and Curbside Pickup options via phone and social media platforms such as WhatsApp and Facebook Messenger. We were the first in the Caribbean region to utilize these e-commerce platforms, which has allowed us to remain relevant and in the hearts and minds of our customers.

As we continue to navigate these changing times, we remain optimistic about the future because we know whatever challenges or obstacles may be presented to us we know we have the ability to “flex the play”.

In the words of Howard Shultz, “in times of adversity and change we really discover who we are and what we are made of”. We remain confident in the strength of our brand to endure and rise above the challenges of this time.

"Team work makes the dream work" so if anyone needed a help getting to work I would go pick them up. You know it wasn't just about me, it was about all of us.

- **Kanan Modeste**

"it's finger lickin' good"

KFC Celebrated Independence Day with a donation of

1500 MEALS

for essential workers


SERVING COUNTER/INFO 1F
IT'S MADE THE HARD WAY.
KFC

Unmasking the smiles of 2020


HERE, IT


EVACUATION PLAN


1965
PLAYOFFS
MYRNA


SUBWAY

It was a huge adjustment for everyone. But the main ingredient was having an open mind, understanding that we all had a part to play in keeping everyone safe.


KFC


HAPPY 1ST
ANNIVERSARY

It was a hard time for all of us; the uncertainty of what would come next. But what we understood was the only way to get through it would be together.

STARBUCKS
DELIVERS

STARBUCKS®
STARBUCKS
DELIVERS
STARBUCKS
DELIVERS
Raquel

During difficult times, it's the people that are around you that makes it so much easier to cope. Thankfully, we have the right kind of people on our team.

STARBUCKS®

Tough Times Never Last, But The Right Decisions Do!

Financials

Statement of Management's Responsibilities

Management is responsible for the following:

- Preparing and fairly presenting the accompanying consolidated financial statements of Prestige Holdings Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 30 November 2020, and the consolidated income statement – by function of expense, the consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information;

- Ensuring that the Group keeps proper accounting records;

- Selecting appropriate accounting policies and applying them in a consistent manner;

- Implementing, monitoring and evaluating the system of internal control that assures security of the Group's assets, detection/prevention of fraud, and the achievement of Group operational efficiencies;

- Ensuring that the system of internal control operated effectively during the reporting period;

- Producing reliable financial reporting that complies with laws and regulations, including the Companies Act; and

- Using reasonable and prudent judgement in the determination of estimates.

In preparing these audited consolidated financial statements, management utilised the International Financial Reporting Standards, as issued by the International Accounting Standards Board and adopted by the Institute of Chartered Accountants of Trinidad and Tobago. Where International Financial Reporting Standards presented alternative accounting treatments, management chose those considered most appropriate in the circumstances.

Nothing has come to the attention of management to indicate that the Group will not remain a going concern for the next twelve months from the reporting date; or up to the date the accompanying consolidated financial statements have been authorised for issue, if later.

Management affirms that it has carried out its responsibilities as outlined above.

Chief Executive Officer
25 February 2021

Chief Financial Officer
25 February 2021

Independent Auditor's Report

To the Shareholders of Prestige Holdings Limited

Report on the audit of the consolidated financial statements

Our opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Prestige Holdings Limited (the Company) and its subsidiaries (together 'the Group') as at 30 November 2020, and their consolidated financial performance and their consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 30 November 2020;
- the consolidated income statement – by function of expense for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report.

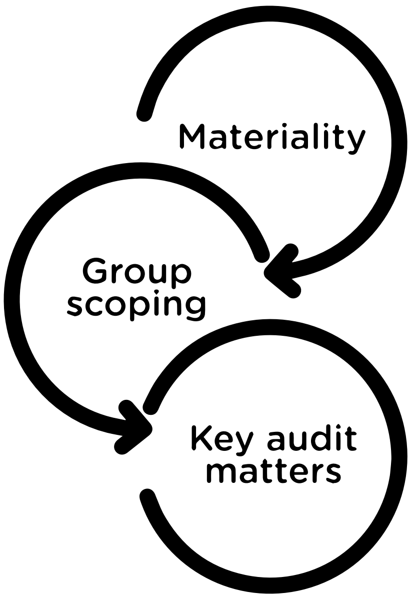
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Independent Auditor's Report (continued)

Our audit approach
Overview



- Overall group materiality: $2,182,000, which represents 5% of profit before income tax.

- The Group consists of the Company and four wholly owned subsidiaries operating in Trinidad and Tobago and Jamaica.
- Full scope audits were performed on the Company and one subsidiary which were deemed to be individually financially significant components.
- Audits of specific account balances including right-of-use assets, lease liabilities, goodwill and property, plant and equipment were performed on two other components.

- Impairment of goodwill and indefinite life intangible assets for the Subway business.

Audit scope

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The Group consists of the Company and four wholly owned subsidiaries (Weekenders Trinidad Limited, Restaurants Leasing Corporation Limited, Prestige Services Limited, all registered in Trinidad and Tobago, and Prestige Restaurants Jamaica Limited, registered in Jamaica).

Full scope audits were performed on the Company and Weekenders Trinidad Limited. We also performed audit procedures over the following financial statement line items for the referenced components:

- Prestige Restaurants Jamaica Limited – right-of-use assets and lease liabilities.
- Restaurants Leasing Corporation Limited – goodwill and property, plant and equipment.

The Prestige Services Limited component was considered financially inconsequential to the Group.

PwC Trinidad and Tobago performed the full scope audits and audit procedures over specific account balances of the other components.

Independent Auditor's Report (continued)

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the consolidated financial statements as a whole.

Overall Group materiality	$2,182,000
How we determined it	5% of profit before income tax
Rationale for the materiality benchmark applied	We chose profit before income tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is within a range of acceptable benchmark thresholds.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above $218,000, as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment of goodwill and indefinite life intangible assets for the Subway business Refer to notes 2(f), 2(g), 4 and 7 to the consolidated financial statements for disclosures of related accounting policies and balances.	
Prior to management's impairment assessment, intangible assets stated on the Group's consolidated statement of financial position included a carrying value of $24.8 million for goodwill, of which $18.6 million relates to the Subway business, as well as $55.4 million of other deferred costs, which includes $40.8 million of franchise agreement assets relating to the Subway business. As a result of management's impairment assessment, the goodwill balance of $18.6 million relating to the Subway business was fully written down. Goodwill and intangible assets with an indefinite useful life are assessed for impairment annually by management or whenever there is an impairment indicator. Goodwill is allocated to the Subway business as a Cash Generating Unit (CGU) identified by management as the lowest level of operations for which there are separately identifiable cash flows.	We considered the method used by management to perform their annual impairment assessment for goodwill and intangible assets with an indefinite useful life for the Subway CGU and found it to be appropriate based on the requirements of the accounting standards. We tested management's assumptions used in their impairment testing model for goodwill and other intangible assets, including the future cash flow projections, discount rates and growth rates applied. The following procedures, amongst others, were performed: • we obtained management's discounted cash flow model (DCF) including qualitative and quantitative analyses and obtained an understanding of the process used by management to determine the recoverable amount of the Subway business; • we agreed and tested the mathematical accuracy, including verifying spreadsheet formulae, of the DCF model; • we evaluated management's assumptions as follows:
In performing the impairment assessment for the Subway CGU, management determines the recoverable amount using discounted cash flows to determine the value-in-use. This involves subjective judgements in relation to forecasting future cash flows and is sensitive to growth rates and discount rates applied to the future cash flows with the key assumptions being: • Revenue growth rates • Gross margins • Weighted average cost of capital ("WACC")	➢ **Revenue growth rates** – we evaluated management's assumptions for each of its planned initiatives for the next 5 years, including considering any contrary evidence around the entity's ability to achieve the forecast growth rates in the current economic environment. The evaluation considered the financial performance post emergence of COVID-19 and the implementation of the revised operating model. We further assessed management's assumptions and judgements related to the future impact

Independent Auditor's Report (continued)

Key audit matter	How our audit addressed the key audit matter
The Group was heavily impacted by national measures taken to combat the COVID-19 pandemic. This included the complete closure of stores for approximately one month, limitations on dine-in services and restricted operating hours. As a result of these changes in the operating environment, management continues to focus on maximising operational efficiencies and have implemented a number of further initiatives focused on growing the ecommerce aspect of the business aimed in particular at the delivery, drive-thru and curbside channels. We focused our attention on this area due to the material nature of the balances and the inherent subjectivity in forecasting future financial performance, particularly in an environment where the full effect of the COVID-19 pandemic remains uncertain.	of COVID-19 including the potential for further national measures including lockdowns and mandated closures as well as the progress and success of vaccination programmes. We evaluated management's assumption that performance will return to pre-Covid-19 levels in year 2 and we assessed the historical revenues of similar businesses operated by management in pre-COVID-19 circumstances to determine the reasonableness of the subsequent growth assumptions. ➢ **Gross margins** – we compared gross margins to historical and current period results and evaluated the projected gross margins in light of the cost management structures implemented by the Group and in conjunction with our assessment of revenue growth rates outlined above. ➢ **WACC** & **Terminal Value** – we evaluated certain inputs within the WACC calculation, including the cost of equity, as well as management's determination of terminal value and found them to be reasonable. We developed a range of parameters using available market inputs and performed sensitivity analyses using these parameters to determine the reasonableness of management's estimate. Further, we: • considered subsequent events and any associated impact on the entity's cash flows and forecast; and • tested disclosures around sensitivities in key assumptions as contained in Note 4 to the consolidated financial statements. The results of the above audit procedures indicated management's goodwill impairment assessment conclusion was not unreasonable.

Other information
Management is responsible for the other information. The other information comprises the Annual Report (but does not include the consolidated financial statements and our auditor's report thereon), which is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements
Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Independent Auditor’s Report (continued)

Auditor’s responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

Auditor's responsibilities for the audit of the consolidated financial statements (continued)
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Sean Ramirez.

PricewaterhouseCoopers

Port of Spain
Trinidad, West Indies
26 February 2021

Consolidated Statement of Financial Position

(Expressed in Trinidad and Tobago Dollars)

	Notes	As at 30 November 2020 $	2019 $
Assets			
Non-current assets			
Property, plant and equipment	5	300,088,110	298,095,365
Right-of-use assets	6	288,698,695	--
Intangible assets	7	61,551,914	81,323,099
Deferred income tax assets	9	5,178,514	--
		655,517,233	379,418,464
Current assets			
Inventories	10	54,998,711	58,328,632
Trade and other receivables	11	22,262,214	26,544,919
Current income tax assets		6,072,660	6,134,307
Cash and cash equivalents	12	59,712,874	64,290,186
		143,046,459	155,298,044
Total assets		798,563,692	534,716,508
Equity and liabilities			
Equity attributable to owners of the parent company			
Share capital	13	23,759,077	23,759,077
Other reserves	14	26,635,074	26,694,552
Retained earnings		250,693,242	268,441,924
		301,087,393	318,895,553
Treasury shares	15	(11,340,002)	(10,937,742)
Total equity		289,747,391	307,957,811
Liabilities			
Non-current liabilities			
Borrowings	16	47,447,584	61,100,000
Deferred income tax liability	9	--	426,851
Lease liabilities	6	265,991,559	--
Other payables	17	1,440,131	2,033,813
		314,879,274	63,560,664
Current liabilities			
Trade and other payables	17	111,200,867	136,843,560
Borrowings	16	36,914,567	15,933,333
Lease liabilities	6	31,154,600	--
Due to related parties	18	14,666,993	6,163,760
Current income tax liabilities		--	4,257,380
		193,937,027	163,198,033
Total liabilities		508,816,301	226,758,697
Total equity and liabilities		798,563,692	534,716,508

The notes on pages 77 to 123 are an integral part of these consolidated financial statements.

On 25 February 2021, the Board of Directors of Prestige Holdings Limited authorised these consolidated financial statements for issue.

Director

Director

Consolidated Income Statement – by function of expense

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 November 2020 $	2019 $
Revenue	19	896,918,441	1,112,933,070
Cost of sales	20, 21	(602,114,538)	(738,483,024)
Gross profit		294,803,903	374,450,046
Other operating expenses	21	(204,197,479)	(234,965,561)
Administrative expenses	21	(69,075,205)	(82,658,949)
Impairment of goodwill	21	(18,633,730)	--
Other income	22	2,594,807	2,602,212
Operating profit		5,492,296	59,427,748
Finance costs	23	(21,241,581)	(5,069,297)
(Loss)/profit before income tax		(15,749,285)	54,358,451
Income tax expense	24	(1,999,397)	(18,538,737)
(Loss)/profit for the year		(17,748,682)	35,819,714
(Loss)/profit attributable to:			
Owners of the parent company		(17,748,682)	35,819,714
Earnings per share attributable to the equity holders of the parent company			
- Basic earnings per share (exclusive of treasury shares)	25	(29.1¢)	58.7¢
- Diluted earnings per share	25	(28.5¢)	57.7¢

The notes on pages 77 to 123 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

(Expressed in Trinidad and Tobago Dollars)

	Note	Year ended 30 November 2020 $	2019 $
(Loss)/profit for the year		(17,748,682)	35,819,714
Other comprehensive (loss)/income:			
Items that may be subsequently reclassified to profit or loss			
Gain on revaluation of land	14	--	2,450,000
Currency translation differences	14	(59,478)	(201,375)
Total comprehensive (loss)/income for the year		(17,808,160)	38,068,339
Attributable to:			
Owners of the parent company		(17,808,160)	38,068,339

The notes on pages 77 to 123 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

(Expressed in Trinidad and Tobago Dollars)

	Notes	Share capital $	Other reserves $	Retained earnings $	Total $	Treasury shares $	Total equity $
Balance at 1 December 2019		23,759,077	26,694,552	268,441,924	318,895,553	(10,937,742)	307,957,811
Comprehensive loss							
Loss for the year		--	--	(17,748,682)	(17,748,682)	--	(17,748,682)
Other comprehensive loss							
Currency translation differences	14	--	(59,478)	--	(59,478)	--	(59,478)
Total comprehensive loss for the year		--	(59,478)	(17,748,682)	(17,808,160)	--	(17,808,160)
Transactions with owners							
Purchase of treasury shares	15	--	--	--	--	(402,260)	(402,260)
Balance at 30 November 2020		23,759,077	26,635,074	250,693,242	301,087,393	(11,340,002)	289,747,391

The notes on pages 77 to 123 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity (continued)

(Expressed in Trinidad and Tobago Dollars)

	Notes	Share capital $	Other reserves $	Retained earnings $	Total $	Treasury shares $	Total equity $
Balance at 1 December 2018		23,759,077	24,445,927	252,221,130	300,426,134	(11,284,401)	289,141,733
Comprehensive income							
Profit for the year		--	--	35,819,714	35,819,714	--	35,819,714
Other comprehensive income/(loss)							
Revaluation surplus	14	--	2,450,000	--	2,450,000	--	2,450,000
Currency translation differences	14	--	(201,375)	--	(201,375)	--	(201,375)
Total comprehensive income for the year		--	2,248,625	35,819,714	38,068,339	--	38,068,339
Transactions with owners							
Transfer of treasury shares	15	--	--	--	--	346,659	346,659
Net dividends for 2018							
- Paid – 20 cents per share		--	--	(12,246,632)	(12,246,632)	--	(12,246,632)
Net dividends for 2019							
- Paid – 12 cents per share		--	--	(7,352,288)	(7,352,288)	--	(7,352,288)
Total transactions with owners		--	--	(19,598,920)	(19,598,920)	346,659	(19,252,261)
Balance at 30 November 2019		23,759,077	26,694,552	268,441,924	318,895,553	(10,937,742)	307,957,811

The notes on pages 77 to 123 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

(Expressed in Trinidad and Tobago Dollars)

	Notes	Year ended 30 November 2020 $	2019 $
Cash flows from operating activities			
Cash generated from operations	28	85,437,191	123,712,078
Interest paid	23	(21,241,581)	(5,069,297)
Income tax paid		(11,843,575)	(14,820,055)
Net cash generated from operating activities		52,352,035	103,822,726
Cash flows from investing activities			
Purchase of intangible assets	7	(1,592,528)	(3,198,252)
Purchase of property, plant and equipment	5	(48,615,809)	(64,739,536)
Proceeds from disposal of property, plant and equipment		561,214	587,825
Net cash used in investing activities		(49,647,123)	(67,349,963)
Cash flows from financing activities			
Purchase of treasury shares	15	(402,260)	--
Proceeds from borrowings		31,247,900	44,000,000
Dividends paid to shareholders		--	(19,598,920)
Payments on lease liabilities		(14,208,781)	--
Repayment of borrowings		(23,919,083)	(46,964,917)
Net cash used in financing activities		(7,282,224)	(22,563,837)
Net (decrease)/increase in cash and cash equivalents		(4,577,312)	13,908,926
Cash and cash equivalents			
At start of year		64,290,186	50,381,260
At end of year	12	59,712,874	64,290,186

The notes on pages 77 to 123 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

1 General information

Prestige Holdings Limited (Parent Company) was incorporated in the Republic of Trinidad and Tobago on 24 November 1972 under the Companies Ordinance, Ch. 31 No. 1 and was continued under the Companies Act, 1995 on 26 November 1997. The Registered Office of the Parent Company is 47–49 Sackville Street, Port of Spain. The Parent Company operates under long-term franchise agreements for the KFC, Pizza Hut, Subway and Starbucks brands through a chain of restaurants in Trinidad and Tobago and is a public limited liability company which is listed on the Trinidad and Tobago Stock Exchange.

Prestige Services Limited is wholly owned by Prestige Holdings Limited and is incorporated in St. Christopher/ Nevis. This company owns the Development Rights for the TGI Fridays Brand for the CARICOM.

Prestige Holdings Limited also owns 100% of the share capital of Prestige Restaurants Jamaica Limited which operates the TGI Fridays Brand in Jamaica.

Weekenders Trinidad Limited is wholly owned by Prestige Holdings Limited and is an amalgamated entity of Weekenders Limited and TCBY Trinidad Limited effective 25 July 2011. The company is incorporated in the Republic of Trinidad and Tobago. This company operates under a long-term franchise agreement for the TGI Fridays Brand in Trinidad and Tobago.

Restaurant Leasing Corporation Limited is wholly owned by Prestige Holdings Limited and is incorporated in the Republic of Trinidad and Tobago. This company owns and leases the premises on which the Subway restaurants and head office are located.

The ultimate parent company is Victor E. Mouttet Limited, a privately owned company incorporated in the Republic of Trinidad and Tobago.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

a. Basis of preparation

The consolidated financial statements of Prestige Holdings Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of land.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

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2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

(i) Changes in accounting policies and disclosures

(a) New standards, amendments and interpretations adopted by the Group

The Group has applied the following standards, amendments and interpretations for the first time for the financial year beginning 1 December 2019:

- IFRS 16 'Leases'

  IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces IAS 17 'Leases', IFRIC 4 'Determining whether an Arrangement contains a Lease', SIC-15 'Operating Leases – Incentives' and SIC-27 'Evaluating the Substance of Transactions Involving the Legal Form of a Lease'.

  The standard removes the IAS 17 requirement for lessees to classify leases as finance leases or operating leases by introducing a single lessee accounting model that requires the recognition of lease assets (right-of-use assets) and lease liabilities on the statement of financial position for most leases. Also, lessees will now separately recognise interest expense on the lease liability and depreciation expense on the right-of-use asset in the income statement.

  Lessor accounting is substantially unchanged from accounting under IAS 17. Lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between two types of leases: operating and finance leases.

  The adoption of IFRS 16 has resulted in changes in the accounting policy disclosed in the financial statements. Details of the new accounting policy in relation to IFRS 16 and the impact on the consolidated financial statements on adoption of the new standard are outlined in Note 2 w and Note 6.

- IFRIC 23 'Uncertainty over income tax treatments'

  This IFRIC clarifies how the recognition and measurement requirements of IAS 12 'Income taxes', are applied where there is uncertainty over income tax treatments. The IFRS IC had clarified previously that IAS 12, not IAS 37 'Provisions, contingent liabilities and contingent assets', applies to accounting for uncertain income tax treatments.

  IFRIC 23 explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. An uncertain tax treatment is any tax treatment applied by an entity where there is uncertainty over whether that treatment will be accepted by the tax authority. For example, a decision to claim a deduction for a specific expense or not to include a specific item of income in a tax return is an uncertain

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

a. Basis of preparation (continued)

(i) Changes in accounting policies and disclosures (continued)

(a) New standards, amendments and interpretations adopted by the Group (continued)

- IFRIC 23 'Uncertainty over income tax treatments' (continued)

  tax treatment if its acceptability is uncertain under tax law. IFRIC 23 applies to all aspects of income tax accounting where there is an uncertainty regarding the treatment of an item, including taxable profit or loss, the tax bases of assets and liabilities, tax losses and credits and tax rates.

  There was no impact on the consolidated financial statements on adoption of the new standard.

(b) New standards and interpretations not yet adopted by the Group

There are no future IFRSs or IFRIC interpretations that are expected to have a material impact on the Group's consolidated financial statements in the current or future reporting periods and on foreseeable future transactions.

b. Consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control.

The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

2 Summary of significant accounting policies (continued)

b. Consolidation (continued)

(i) Subsidiaries (continued)

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date, any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

Inter-company transactions, balances, income and expenses on transactions between Group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognised in assets are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(ii) Changes in ownership interests in subsidiaries without change in control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iii) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

c. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for making strategic decisions, allocating resources and assessing performance of the operating segments has been identified as the Board of Directors.

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

d. Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Trinidad and Tobago dollars, which is the Group's presentation and functional currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated income statement within 'Finance costs'. All other foreign exchange gains and losses are presented in the consolidated income statement within 'Administrative expenses'.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(a) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(b) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(c) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences are recognised in other comprehensive income.

2 Summary of significant accounting policies (continued)

e. Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Land is subsequently shown at market value, based on valuations by external independent valuers at least once every five years. All other property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land are credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against other reserves directly in equity; all other decreases are charged to the consolidated income statement.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Freehold and leasehold buildings	– 10 – 50 years
Leasehold improvements	– 10 – 20 years
Plant and machinery and equipment	– 10 – 15 years
Vehicles	– 4 – 5 years
Furniture	– 5 – 12 years

The assets' residual values and useful lives are reviewed by management, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other operating expenses in the consolidated income statement.

When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

f. Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured at fair value is less than the fair value of the net assets of the subsidiary acquired, in the case of a bargain purchase, the difference is recognised directly in the consolidated income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the CGUs, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense in the consolidated income statement and is not subsequently reversed.

(ii) Franchise agreements – ongoing operations

Franchise agreements for ongoing operations acquired in a business combination are initially recognised at fair value at the acquisition date and subsequently carried at cost. These assets have an indefinite useful life and are tested annually for impairment. The franchise agreement renews automatically and there is no significant cost of renewal.

(iii) Franchise fees

The Group pays an initial fee to the Franchisor for every new store and a renewal fee upon the expiration of the initial franchise period. The initial and renewal fees are written off over the period to which they relate which range from ten to twenty years. There are no renewal fees upon the expiration of the initial franchise period for the Subway franchise.

2 Summary of significant accounting policies (continued)

f. Intangible assets (continued)

(iv) Development rights

Investment in the development rights is capitalised and amortised using the straight-line method over its estimated useful life but not exceeding ten years.

g. Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). Prior impairments of non-financial assets (other than goodwill) are reviewed for possible reversal at each reporting date.

h. Non-current assets (or disposal groups) held for sale

Non-current assets (or disposal groups) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

i. Financial assets

(i) Classification

The Group classifies its financial assets as those measured at amortised cost (Notes 8 and 11).

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition, derecognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, in the case of a financial asset not at fair value through profit or loss (FVPL), the transaction costs are expensed in the consolidated income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

i. Financial assets (continued)

(ii) Recognition, derecognition and measurement (continued)

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The measurement category into which the Group classifies its debt instruments is as follows:

Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in income statement using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statement and presented in 'Administrative expenses' together with foreign exchange gains and losses. Impairment losses are presented in 'Administrative expenses'.

j. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

k. Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from the initial recognition of receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and days past due.

The expected loss rates are based on payment terms and corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward looking information on macroeconomic factors affecting the customer's ability to settle the receivables. Macroeconomic variables used include, but are not limited to, unemployment rate, GDP and inflation rate.

2 Summary of significant accounting policies (continued)

l. Inventories

Inventories are stated at the lower of cost or net realisable value. Cost is determined using the average cost method. Net realisable value is the estimate of the selling price in the ordinary course of business, less applicable variable selling expenses.

m. Trade receivables

Trade receivables are amounts due from customers for the sale of goods in the ordinary course of business. If collection is expected in one year or less (or, in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

n. Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less.

o. Share capital

Ordinary shares with discretionary dividends are classified as equity.

Incremental external costs directly attributable to the issue of new shares or options, other than in connection with a business combination, are shown in equity as a deduction, net of tax, from the proceeds.

p. Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

q. Provisions

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

r. Employee benefits

(i) Pension obligations

Retirement benefits for employees are provided by a defined contribution plan which is funded by contributions from the Company and qualified employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Payments are made to a pension trust which is financially separate from the Company. These payments, which are in accordance with periodic calculations by actuaries, are charged against the results of the year in which they become payable. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

(ii) Employee Share Ownership Plan (ESOP)

The parent company operates an Employee Share Ownership Plan and accounts for all unallocated treasury shares as a deduction in Equity. Shares allocated to employees as part of their bonus are charged to administrative expenses based on the market value on the date they are allocated with a corresponding liability recorded in other payables. The liability is remeasured at each statement of financial position date and any changes in value are also charged/credited against administrative expenses. Dividends on vested ESOP shares are treated as employee compensation costs and are also charged to administrative expenses. Shares allocated to employees vests in four tranches of 25% after 30, 42, 54 and 66 months respectively.

2 Summary of significant accounting policies (continued)

s. Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in the consolidated income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised using the liability method, for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the statement of financial position date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

The principal temporary difference arises from the difference between the accounting and tax treatment of depreciation on property, plant and equipment and tax losses.

t. Revenue recognition

The Group operates a chain of restaurants selling food and drink items. Revenue from the sale of goods is recognised when control of the products have transferred, being when the products are delivered to the customer, the customer has full discretion over the use and deployment of the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Sales are usually in cash, by debit or credit card and only minimally through trade receivables. The transaction price is the amount which is invoiced to the customer, net of value added tax.

Other income comprises net revenue from non-core business activities. The Group comprises other income when it can be reliably measured and it is probable that future economic benefits will flow to the Group.

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

u. Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

v. Dividend distribution

Dividend distribution is recorded in the Group's financial statements in the period in which the dividends are approved by the Board of Directors.

w. Leases

The Group has adopted IFRS 16 'Leases' from 1 December 2019 using the modified retrospective approach and as permitted under the specific transition provisions in the standard has not restated comparative information for the 2019 reporting period.

The Group elected to apply the practical expedient to not reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and IFRIC 4.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The Group used the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

- Application of a single discount rate to a portfolio of leases with reasonably similar characteristics;
- Reliance on previous assessments on whether leases are onerous as an alternative to performing an impairment review – there were no onerous contracts as at 1 December 2019;
- Exclude initial direct costs for the measurement of the right-of-use asset at the date of initial application;
- Apply the exemption not to recognise right-of-use assets and lease liabilities for leases with less than 12 months of lease term remaining as of the date of initial application; and

2 Summary of significant accounting policies (continued)

w. Leases (continued)

- Use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

Measurement of right-of-use assets and lease liabilities

On adoption of IFRS 16, the Group recognised right-of-use assets and lease liabilities in relation to leases of commercial restaurant, warehouse and office space, which had previously been classified as operating leases. The right-of-use assets were measured at an amount equal to the lease liabilities on implementation date of the standard.

The lease liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 December 2019. The Group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average incremental borrowing rate applied to the lease liabilities on 1 December 2019 was 5.25%.

The following table reconciles the minimum lease commitments disclosed in the Group's 30 November 2019 annual financial statements to the amount of lease liabilities recognised on 1 December 2019:

	At 1.12.2019 $
Minimum operating lease commitments at 30 November 2019	246,895,724
Less: short-term leases not recognised as a liability	(27,193,863)
Less: low-value leases not recognised as a liability	--
Add: effect of extension and termination options reasonably certain to be exercised	203,013,800
Other adjustments	10,562,731
Undiscounted lease payments	433,278,392
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	(104,442,167)
Lease liabilities recognised as at 1 December 2019	328,836,225
Current lease liabilities	31,685,101
Non-current lease liabilities	297,151,124
	328,836,225

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

w. Leases (continued)

Lessor accounting

The Group leases out part of its property which is also occupied by its restaurants under operating leases. The Group was not required to make any adjustments, on adoption of IFRS 16, for leases in which it acts as a lessor.

Amendment to IFRS 16 'Leases' – COVID-19 related rent concessions.

On 28 May 2020, the IASB published an amendment to IFRS 16 that provides an optional practical expedient for lessees to assess whether a rent concession related to COVID-19 is a lease modification. Lessees can elect to account for such rent concessions in the same way as they would if they were not lease modifications. In many cases, this has resulted in accounting for the concession as variable lease payments in the period(s) in which the event or condition that triggers the reduced payment occurred. The practical expedient only applies to rent concessions for lessees (but not lessors) occurring as a direct consequence of the COVID-19 pandemic and only if all of the following conditions are met:

- the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- any reduction in lease payments affects only payments due on or before 20 June 2021; and
- there is no substantive change to other terms and conditions of the lease.

The Group recognised a credit to profit or loss of $17,493,289 as a result of the application of this amendment (Note 6). This amendment which became effective 1 June 2020 was early adopted by the Group.

Policy applicable from 1 December 2019

At inception of a contract, the Group assesses whether a contract is, or contains a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- The contract involves the use of an identified asset. This may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

2 Summary of significant accounting policies (continued)

w. Leases (continued)

Policy applicable from 1 December 2019 (continued)

The Group as a lessee

The Group mainly leases commercial restaurant, warehouse and office space used in its operations. Rental contracts for these leases are typically made for fixed periods of six months to twenty years, but may have extension options, which are described below.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices stated in the contracts.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The Group applies a single recognition and measurement approach to all leases, except for short-term leases and leases of low-value assets. At lease commencement date, the Group recognises a right-of-use asset and a lease liability in the consolidated statement of financial position.

The right-of-use asset is initially measured at cost, which comprises the initial measurement of the lease liability, any initial direct costs incurred by the Group, any lease payments made in advance of the lease commencement date (net of any incentives received) and restoration costs.

Subsequent to initial measurement, the right-of-use asset is depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

The Group does not revalue any of its right-of-use assets; however, it assesses these assets for impairment when such indicators exist.

The lease liability is initially measured at the present value of the lease payments that are not paid at the lease commencement date, discounted using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be readily determined, the Group's incremental borrowing rate is used, being the rate the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. These rates were attained from our local bankers.

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

w. Leases (continued)

Policy applicable from 1 December 2019 (continued)

The Group as a lessee (continued)

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- Lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option;
- Penalty payments for early termination of a lease unless the Group is reasonably certain not to terminate early;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Amounts expected to be payable by the Group under residual value guarantees.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made.

The Group remeasures the lease liability when there is a change in future lease payments arising from a change in an index or rate, or if the Group changes its assessment of whether it will exercise an extension or termination option. Extension and termination options are included in a number of leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated income statement if the carrying amount of the right-of-use asset has been reduced to zero.

Variable lease payments that do not depend on an index or a rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments (or credits) are recognised as an expense (or income) in the period in which the event or condition that triggers those payments. The Group did not have any variable lease payments that do not depend on an index or a rate for the period ended 30 November 2020. COVID-19 rental waivers were accounted for as variable lease payments.

The Group applies the short-term lease recognition exemption to its short-term leases, i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets to leases that are considered to be low value. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2 Summary of significant accounting policies (continued)

w. Leases (continued)

Policy applicable from 1 December 2019 (continued)

The Group as a lessor

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Assets leased out under operating leases are included in property, plant and equipment in the consolidated statement of financial position. They are depreciated over their expected useful lives on a basis consistent with similarly owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on a pattern reflecting a constant periodic rate of return on the lessor's net investment.

Accounting policy applied until 30 November 2019

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement under the terms of the lease.

Lease income from operating leases where the Group is a lessor is recognised on a straight-line basis over the lease term. The respective leased assets are included in the consolidated statement of financial position based on their nature. The Group did not make any adjustments to the accounting for assets held as lessor as a result of adopting IFRS 16.

x. Royalty expense

Royalty expense is recognised on the accrual basis and charged to the consolidated income statement (included in cost of sales) in accordance with the substance of the relevant agreements.

y. Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The IFRS 13 fair value hierarchy has the following levels based on the inputs used to determine the fair value measurement.

- Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2 – The inputs are inputs other that quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – The inputs are unobservable inputs for the asset or liability.

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

2 Summary of significant accounting policies (continued)

y. Fair value estimation (continued)

An observable input is an input that is developed using market data such as publicly available information about actual events or transactions and that reflect the assumptions that market participants would use when pricing the asset or liability.

An unobservable input is an input for which market data is not readily available and that is developed using the best information available about the assumptions that market participants would use when pricing the asset or liability.

The fair value disclosure required by IFRS 13 for non-financial assets is included in Note 5. The fair value disclosures relating to financial instruments is disclosed in Note 8.

3 Financial risk management

a. Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The Group's risk management policies are designed to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems. The Group regularly reviews its risk management policies and systems to reflect changes in markets, product and emerging best practice.

The Board of Directors is ultimately responsible for the establishment and oversight of the Group's risk management framework. The Board provides principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, and investment of excess liquidity.

(i) Market risk

(a) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

The Group manages its foreign exchange risk by ensuring that the net exposure in foreign assets and liabilities is kept to an acceptable level by monitoring currency positions as well as holding foreign currency balances. This policy is consistent with prior years.

3 Financial risk management (continued)

a. Financial risk factors (continued)

(i) Market risk (continued)

(a) Foreign exchange risk (continued)

As at 30 November 2020, the US dollar obligation in TT dollars arising mainly from foreign inventory suppliers and accrued balances was $39,065,725 (2019: $46,113,730). In addition, there was a US dollar loan outstanding in TT dollars of $8,436,625 (2019: nil). If the currency had weakened/strengthened by 7% against the US dollar with all other variables held constant, post-tax profits for the year would have been $1,914,221 (2019: $2,259,573) lower/higher, mainly as a result of foreign exchange losses/gains on translation of US dollar-denominated trade payables and accruals. For the US dollar loan, this would have amounted to $413,395 (2019: $ nil).

There have been no changes to policies and procedures in managing the foreign exchange risks.

(b) Cash flow and fair value interest rate risk

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from short and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Given the economic environment, the Group's policy is to maintain a significant portion of its borrowings in fixed rate instruments. This policy is consistent with prior years.

The Group's exposure to cash flow interest rate risk arises from the variable interest rate on two TT dollar loans, one taken in 2019 and the other taken this year, both being repayable in 15 years, and a US dollar loan taken this year, repayable in 1 year.

	2020		2019	
	$	%	$	%
Variable rate borrowings	45,862,151	54	28,033,333	36
Other borrowings – fixed rate	38,500,000	46	49,000,000	64
	84,362,151	100	77,033,333	100

As at 30 November 2020, the variable rate borrowing obligation was $45,862,151 with an interest rate of 5.5%, to be reset every three years for the TT dollar loan and 5.22% to be reset every month for the US dollar loan. If interest rates increased by 45 basis points, with all other variables held constant, post-tax profits for the year would have been reduced by $151,000 (2019: $46,000). If interest rates decreased by 50 basis points, with all other variables held constant, post-tax profits for the year would have been increased by $168,000 (2019: $51,000).

There have been no changes to the policies and procedures in managing interest rate risks.

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

a. Financial risk factors (continued)

(i) Market risk (continued)

(c) Price risk

The Group's exposure to price risk arises from remeasurements of the ESOP liability at each statement of financial position date. If the Company's share price had increased or decreased by 10% with all other variables held constant, post-tax profits for the year would have increased or decreased by $636,000 (2019: $941,000).

(i) Credit risk

(a) Risk management

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to trade customers. For banks and financial institutions, only those with good standing and with a sound reputation are used. Management has assessed that there is low credit risk based on the reputable financial institutions which the Group does business with and as such no impairment losses are recognised.

No independent rating exists for trade customers and as a result an internal credit assessment is performed taking into account their financial position, past experience and other factors. Credit limits are set for trade customers which are regularly monitored. Sales to retail customers are required to be settled in cash or using major credit cards, mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers and/or specific industry sectors.

(b) Security

The Group does not take any security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

(c) Impairment of financial assets

The potential impairment loss on trade receivables subject to the general provision requirements of IFRS 9 is immaterial for both 2019 and 2020.

There have been no changes to the policies and procedures in managing credit risks.

3 Financial risk management (continued)

a. Financial risk factors (continued)

(iii) Liquidity risk

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal statement of financial position ratio targets. This policy is consistent with the prior year.

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts disclosed in the table are contractual undiscounted cash flows.

	6 months or less $	6 to 12 months $	1 to 5 years $	Over 5 years $	Total $
At 30 November 2020					
Borrowings – third party	19,026,427	10,268,243	47,293,803	26,376,724	102,965,197
Lease liabilities	23,290,335	22,359,559	172,178,428	194,951,582	412,779,904
Due to related parties	14,666,993	--	--	--	14,666,993
Trade and other payables, excluding statutory liabilities	99,395,454	--	1,440,131	--	100,835,585
	156,379,209	32,627,802	220,912,362	221,328,306	631,247,679
At 30 November 2019					
Borrowings – third party	10,216,067	9,978,561	48,840,561	25,277,426	94,312,615
Due to related parties	6,163,760	--	--	--	6,163,760
Trade and other payables, excluding statutory liabilities	121,468,608	--	2,033,813	--	123,502,421
	137,848,435	9,978,561	50,874,374	25,277,426	223,978,796

There have been no changes to policies and procedures in managing liquidity risks.

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

3 Financial risk management (continued)

b. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. There has been no change in the policies and procedures for managing capital compared to the prior year.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. The ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings, total lease liabilities (including 'current and non-current' as shown in the consolidated statement of financial position) and bank overdraft less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated statement of financial position plus net debt.

	2020 $	2019 $
Net debt	321,795,436	12,743,147
Total equity	289,747,391	307,957,811
Total capital	611,542,827	320,700,958
Net debt to equity ratio	52.6%	3.97%

The net debt to equity ratio increased from 3.97% to 57.5% following the adoption of IFRS 16 'Leases'. Both net debt and gross assets increased following the recognition of right-of-use assets and lease liabilities on 1 December 2019. See Note 6 for further information.

The Group has complied with all of the financial covenants in relation to capital risk management.

3 Financial risk management (continued)

b. Capital risk management (continued)

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	2020 $	2019 $
Cash and cash equivalents	59,712,874	64,290,186
Borrowings	(84,362,151)	(77,033,333)
Lease liabilities	(297,146,159)	--
Net debt	(321,795,436)	(12,743,147)
Cash and cash equivalents	59,712,874	64,290,186
Gross debt – fixed interest rates	(335,646,159)	(49,000,000)
Gross debt – variable interest rates	(45,862,151)	(28,033,333)
Net debt	(321,795,436)	(12,743,147)

	Cash $	Borrowings $	Lease liabilities $	Total $
Cash flows	(5,991,137)	501,750	--	(5,489,387)
Net debt as at 30 November 2018	50,381,260	(79,998,250)	--	(29,616,990)
Cash flows	13,908,926	2,964,917	--	16,873,843
Net debt as at 30 November 2019	64,290,186	(77,033,333)	--	(12,743,147)
Cash flows	(4,577,312)	(7,328,818)	(297,146,159)	(309,052,289)
Net debt as at 30 November 2020	59,712,874	(84,362,151)	(297,146,159)	(321,795,436)

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a. Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Estimated recoverable amount of goodwill and intangible assets on SUBWAY business

The Group tests annually whether goodwill and intangible assets have suffered any impairment in accordance with the accounting policy stated in Notes 2 f and 2 g. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates. The significant assumptions are disclosed in Note 7.

The table below shows the potential impairment impact on intangible assets should there be a worsening in the key assumptions by 0.5% with all other variables held constant.

	2020	**2019**
	$	**$**
Year 1 growth rate	2,572,736	1,278,935
Year 2–5 growth rate	7,359,421	7,922,416
Average gross margin	610,873	212,078
Weighted average cost of capital	2,443,822	2,302,201

The recoverable amount of goodwill together with the net assets related to the Subway business would equal its carrying amount if each of the key assumptions were to change as follows independently of the other assumptions (note this information was only presented for the prior year as an impairment charge was recognised in the current year):

	2019	
	From %	**To %**
Year 1 growth rate	3.63	3.29
Year 2–5 growth rate	2.30	2.20
Average gross margin	29.00	28.56
Weighted average cost of capital	9.50	9.76

4 Critical accounting estimates and judgements (continued)

a. Critical accounting estimates and assumptions (continued)

(ii) Estimated recoverable amount of goodwill and intangible assets on Weekenders Trinidad Limited business

The Group tests annually whether goodwill and intangible assets have suffered any impairment in accordance with the accounting policy stated in Notes 2 f and 2 g. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of estimates. The significant assumptions are disclosed in Note 7. If the growth rate for year 1 worsened by 0.5% with all other variables held constant there would be no impact to the profit or loss for the period as the asset would still not be impaired (2019: nil). If the growth rate for years 2 to 5 worsened by 0.5% with all other variables held constant, there would be no impact to the profit or loss for the period as the asset would still not be impaired (2019: nil). If the average gross margin worsened by 0.5% with all other variables held constant there would be no impact to the profit or loss for the period as the asset would still not be impaired (2019: nil). If the weighted average cost of capital was higher by 0.5% with all other variables held constant, there would be no impact to the profit or loss for the period as the asset would still not be impaired (2019: nil). In the prior year, there were no reasonably possible changes in any of the key assumptions that would have resulted in an impairment of goodwill and intangible assets related to the Weekenders Trinidad Limited business.

The recoverable amount of goodwill together with the net assets related to Weekenders Trinidad Limited would equal its carrying amount if each of the key assumptions were to change as follows independently of the other assumptions:

	2020		2019	
	From %	**To %**	**From %**	**To %**
Year 1 growth rate	35.0	19.0	11.0	5.4
Year 2–5 growth rate	3.6	(0.6)	2.0	0.1
Average gross margin	39.8	33.1	39.4	36.3
Weighted average cost of capital	13.8	19.7	12.2	16.0

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

5 Property, plant and equipment

	Land $	Buildings and improvements $	Plant and machinery $	Vehicles $	Furniture $	Work in progress $	Total $
Year ended 30 November 2020							
Opening net book amount	61,935,000	142,978,913	47,167,458	4,998,419	40,853,175	162,400	298,095,365
Additions	36,700,000	1,844,905	4,001,848	1,644,263	1,490,178	2,934,615	48,615,809
Disposals	--	(22,696)	(85,200)	(4,140)	(2,300)	--	(114,336)
Exchange differences	--	(82,105)	(14,132)	--	(6,174)	--	(102,411)
Depreciation charge	--	(21,110,338)	(12,600,309)	(2,868,281)	(9,827,389)	--	(46,406,317)
Closing net book amount	98,635,000	123,608,679	38,469,665	3,770,261	32,507,490	3,097,015	300,088,110
At 30 November 2020							
Cost or valuation	98,635,000	333,899,835	275,316,397	21,299,511	153,878,274	3,097,015	886,126,032
Accumulated depreciation	--	(210,291,156)	(236,846,732)	(17,529,250)	(121,370,784)	--	(586,037,922)
Net book amount	98,635,000	123,608,679	38,469,665	3,770,261	32,507,490	3,097,015	300,088,110
Year ended 30 November 2019							
Opening net book amount	59,485,000	119,105,375	41,258,457	8,166,812	35,000,950	15,214,693	278,231,287
Additions	--	15,926,290	13,180,267	--	12,928,894	22,704,085	64,739,536
Revaluation surplus	2,450,000	--	--	--	--	--	2,450,000
Transfers	--	28,014,587	6,428,479	--	3,288,311	(37,731,377)	--
Disposals	--	(27,941)	(97,702)	(262,171)	430	(25,001)	(412,385)
Exchange differences	--	(80,952)	(18,138)	--	(5,395)	--	(104,485)
Depreciation charge	--	(19,958,446)	(13,583,905)	(2,906,222)	(10,360,015)	--	(46,808,588)
Closing net book amount	61,935,000	142,978,913	47,167,458	4,998,419	40,853,175	162,400	298,095,365
At 30 November 2019							
Cost or valuation	61,935,000	332,200,402	273,933,471	20,359,497	152,396,570	162,400	840,987,340
Accumulated depreciation	--	(189,221,489)	(226,766,013)	(15,361,078)	(111,543,395)	--	(542,891,975)
Net book amount	61,935,000	142,978,913	47,167,458	4,998,419	40,853,175	162,400	298,095,365
At 30 November 2018							
Cost or valuation	59,485,000	289,975,404	253,864,965	21,289,103	137,606,035	15,214,693	777,435,200
Accumulated depreciation	--	(170,870,029)	(212,606,508)	(13,122,291)	(102,605,085)	--	(499,203,913)
Net book amount	59,485,000	119,105,375	41,258,457	8,166,812	35,000,950	15,214,693	278,231,287

5 Property, plant and equipment (continued)

Depreciation expense of $46,406,317 (2019: $46,808,588) is included in other operating expenses. Bank borrowings are secured on fixed assets of the Group for the value of approximately $76 million (2019: $77 million). Included in buildings and improvements are buildings amounting to $34,840,685 (2019: $38,264,771) and improvements amounting to $88,767,994 (2019: $104,714,142).

a. Fair value of land

Land represents freehold and leasehold land. The Group engages an external, independent and qualified valuer to determine the fair value of the Group's land at least once every five years. The last valuation performed was as at 30 November 2018 for all freehold properties and as at 30 November 2019 for leasehold properties. The following table analyses the non-financial assets carried at fair value, by valuation method.

	Fair value measurements as at 30 November 2019 and 2020		
	Quoted prices in active markets or identical assets (level 1) $	Significant other observable inputs (level 2) $	Significant unobservable inputs (level 3) $
2020	--	--	98,635,000
2019	--	--	61,935,000

The increase in fair value relates to purchase of land for $36,700,000.

Level 3 fair values of land has been derived using the Sales Comparison Approach. Sales prices of comparable land in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot.

If land was stated on the historical cost basis, the amount would be $65,738,230.

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

6 Leases

The following tables provide information for leases where the Group is a lessee:

(i) Amounts recognised in the consolidated statement of financial position:

Right-of-use assets	**Buildings $**
Year ended 30 November 2020	
Adjustment on initial application of IFRS 16	328,836,225
Exchange adjustment	16,971
Depreciation charge	(40,154,501)
Closing net book amount	288,698,695

At 30 November 2020	**Buildings $**
Cost	328,836,225
Accumulated depreciation	(40,137,530)
Net book amount	288,698,695

Lease liabilities

	2020 $
Adjustment on initial application of IFRS 16	328,836,225
Translation adjustments	12,004
Payments	(14,208,781)
COVID-19 related rent concessions	(17,493,289)
At end of year	297,146,159
Current	31,154,600
Non-current	265,991,559
Total lease liabilities	297,146,159

6 Leases (continued)

(ii) Amounts recognised in the consolidated income statement:

	2020 $	2019 $
Interest expense on lease liabilities (Note 23)	16,132,907	--
Depreciation charge on right-of-use assets (Note 21)	40,154,501	--
Expense relating to short-term leases	2,129,094	--
Expense relating to leases of low value assets not included above	--	--
Expense relating to variable lease payments not included in lease liabilities	3,682,579	--
COVID-19 related rent concessions	17,493,289	--

The total cash outflow for leases in 2020 was $51,366,317.

7 Intangible assets

	Goodwill $	Other deferred costs $	Total $
Year ended 30 November 2020			
Opening net book amount	24,791,308	56,531,791	81,323,099
Additions	--	1,592,528	1,592,528
Disposals	--	(24,682)	(24,682)
Exchange differences	--	(448)	(448)
Impairment charge	(18,633,730)	--	(18,633,730)
Amortisation charge	--	(2,704,853)	(2,704,853)
Closing net book amount	6,157,578	55,394,336	61,551,914
At 30 November 2020			
Cost	24,791,308	86,574,030	111,365,338
Accumulated amortisation and impairment	(18,633,730)	(31,179,694)	(49,813,424)
Net book amount	6,157,578	55,394,336	61,551,914

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

7 Intangible assets (continued)

	Goodwill $	Other deferred costs $	Total $
Year ended 30 November 2019			
Opening net book amount	24,791,308	55,953,648	80,744,956
Additions	--	3,198,252	3,198,252
Disposals	--	(17,635)	(17,635)
Amortisation charge	--	(2,602,474)	(2,602,474)
Closing net book amount	24,791,308	56,531,791	81,323,099
At 30 November 2019			
Cost	24,791,308	85,119,112	109,910,420
Accumulated amortisation	--	(28,587,321)	(28,587,321)
Net book amount	24,791,308	56,531,791	81,323,099
At 30 November 2018			
Cost	24,791,308	81,982,248	106,773,556
Accumulated amortisation	--	(26,028,600)	(26,028,600)
Net book amount	24,791,308	55,953,648	80,744,956

Amortisation charge of $2,704,853 (2019: $2,602,474) is included in other operating expenses.

Included in other deferred costs is franchise agreements for ongoing operations of the Subway business acquired in 2011 which has an indefinite life and is assessed annually for impairment. Also included under deferred costs are franchise fees and loan fees capitalised which are amortised over remaining periods of three to fifteen years.

7 Intangible assets (continued)

Impairment tests for goodwill and indefinite life intangible assets

Goodwill has been allocated to the TGI Fridays (Weekenders Trinidad Limited) and Subway businesses cash generating units as outlined below.

	2020 $	2019 $
Weekenders Trinidad Limited		
Goodwill	6,157,578	6,157,578

The recoverable amount of this business unit is determined based on a value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budgets and forecasts approved by management covering a five-year period. Cash-flows for the five-year period are extrapolated using the estimated growth rates stated below.

The key assumptions used for value-in-use calculations are as follows:

	Gross margin %	Growth rate Year 1 %	Growth rate Year 2 – 5	Pre-tax discount rate %
2020	39.8	35.0	4.0	13.8
2019	39.4	11.0	2.0	12.2

Assumptions for gross profit margins, growth rates and pre-tax weighted average cost of capital are based upon past performance, economic conditions and expectations for market development. The year 1 growth was benchmarked against a period when COVID-19 adversely impacted on the business and the operations generated lower revenue. In year 1 we expect some level of revenue recovery.

Subway business	2020 $	2019 $
Goodwill	18,633,730	18,633,730
Accumulated impairment	(18,633,730)	--
	--	18,633,730
Intangible assets – franchise agreements	40,800,000	40,800,000
Assets acquired	40,800,000	59,433,730

The recoverable amount of this business unit is determined based on a value-in-use calculation. This calculation uses pre-tax cash flow projections based on financial budgets and forecasts approved by management covering a five-year period. Cash-flows for the five-year period are extrapolated using the estimated growth rates stated below.

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

7 Intangible assets (continued)

Impairment tests for goodwill and indefinite life intangible assets (continued)

Subway busines (continued)

The key assumptions used for value-in-use calculations are as follows:

Year ended 30 November 2020

	Year 1 %	Year 2 %	Year 3 - 5 %
Average gross margin	30.8	31.3	31.8
Revenue growth rates	14.70	20.80	2.00
Weighted average cost of capital	12.10	12.10	12.10

Year ended 30 November 2019

	Year 1 %	Year 2 %	Year 3 - 5 %
Average gross margin	28.00	28.90	29.40
Revenue growth rates	3.60	2.30	2.30
Weighted average cost of capital	9.50	9.50	9.50

Assumptions for gross margins, growth rates and pre-tax weighted average cost of capital are based upon past performance, economic conditions and expectations for market development. The year 1 revenue growth rate was benchmarked against a period when COVID-19 adversely impacted the business and operations generated lower revenue. Management's focus given the current economic conditions will be to continue on maximising operational efficiencies and growing the ecommerce aspect of the business aimed in particular at the delivery, drive-thru and curbside channels. Revenue is expected to make a full recovery in year 2 with projected growth going forward.

Refer to Note 4 for details of sensitivity analysis performed over the key assumptions noted above for each acquired business.

8 Financial instruments by category

	Loans and receivables	
	2020 $	2019 $
Assets as per consolidated statement of financial position		
Trade and other receivables, excluding prepayments	3,142,069	4,092,939
Cash and cash equivalents	59,712,874	64,290,186
Total	62,854,943	68,383,125

8 Financial instruments by category (continued)

	Other financial liabilities at amortised cost	
	2020	2019
	$	$
Liabilities as per consolidated statement of financial position		
Borrowings	84,362,151	77,033,333
Lease liabilities	297,146,159	--
Trade and other payables, excluding statutory liabilities	100,835,585	123,502,421
Due to related parties	14,666,993	6,163,760
Total	497,010,888	206,699,514

Financial instruments where carrying value is equal to fair value

Due to their liquidity and short-term maturity, the carrying values of certain financial instruments approximate their fair values. Financial instruments where carrying value is equal to fair value include cash and cash equivalents, trade and other receivables, trade and other payables and amounts due to related parties.

For financial assets and financial liabilities that are carried in the financial statements at amortised cost but for which fair value is required to be disclosed in accordance with IFRS 7, the table below summarises the level in the IFRS 13 fair value hierarchy in which the fair value measurement is categorised and a description of the valuation technique and the inputs used in the fair value measurement.

Liability	**Categorisation of the fair value measurement in IFRS 13 fair value hierarchy**	**Valuation methodology used to determine fair value**	**Key assumptions in valuation methodology**
Loan note – bank borrowing	Level 3	Discounted cash flow analysis	• Future cash flows • Current market interest rate at year end

A comparison of the fair value to the carrying value of bank borrowings is included in Note 16.

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

9 Deferred income tax

	2020 $	2019 $
Opening amount	426,851	1,000,619
Credit to consolidated income statement (Note 24)	(5,634,559)	(604,888)
Foreign exchange translation	29,194	31,120
Closing amount	(5,178,514)	426,851

The deferred income tax assets and liabilities at the end of the year are attributable to the following items:

Year ended 30 November 2020	**At 1.12.19 $**	**Credit to income statement $**	**Forex $**	**At 30.11.20 $**
Deferred income tax liabilities/(assets)				
Accelerated tax depreciation	426,851	(2,764,248)	29,194	(2,308,203)
Leases liabilities	--	(2,713,806)	--	(2,713,806)
Tax losses	--	(156,505)	--	(156,505)
	426,851	(5,634,559)	29,194	(5,178,514)

Year ended 30 November 2019	**At 1.12.18 $**	**(Credit)/charge to income statement $**	**Forex $**	**At 30.11.19 $**
Deferred income tax liabilities/(assets)				
Accelerated tax depreciation	1,232,105	(809,119)	3,865	426,851
Tax losses	(231,486)	204,231	27,255	--
	1,000,619	(604,888)	31,120	426,851

The Group has accumulated tax losses of approximately $628,950 (2019: nil) available for set off against future chargeable profits. These losses have been recognised as a deferred tax during the current year.

10 Inventories

	2020 $	2019 $
Food supplies and packaging materials	40,545,993	42,689,399
Consumable stores	14,452,718	15,639,233
	54,998,711	58,328,632

The cost of inventories recognised as expense and included in "cost of sales" amounted to $380,638,409 (2019: $467,014,827).

The write-down of inventories recognised as expense and included in "administrative expenses" amounted to $4,141,902 (2019: $3,882,516).

11 Trade and other receivables

	2020 $	2019 $
Trade receivables	3,709,232	4,284,189
Less: provision for impairment of trade receivables	(1,124,762)	(921,399)
	2,584,470	3,362,790
Prepayments	6,968,767	9,706,393
Other receivables	12,708,977	13,475,736
	22,262,214	26,544,919

Movements on the Group's provision for impairment of trade receivables are as follows:

	2020 $	2019 $
At 1 December	921,399	916,399
Provision for impairment recognised during the year	203,363	5,000
At 30 November	1,124,762	921,399

The carrying amount of the Group's trade and other receivables are denominated in the following currencies:

	2020 $	2019 $
TT dollar	21,987,016	26,420,142
Other currencies	275,198	124,777
	22,262,214	26,544,919

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

12 Cash and cash equivalents

	2020 $	2019 $
Cash at bank and on hand	59,712,874	64,290,186

13 Share capital

	2020 $	2019 $
Authorised		
Unlimited number of ordinary shares of no par value		
Issued and fully paid		
62,513,002 ordinary shares of no par value	23,759,077	23,759,077

14 Other reserves

	Land revaluation $	Currency translation $	Total $
Balance at 1 December 2018	29,286,770	(4,840,843)	24,445,927
Revaluation (Note 5)	2,450,000	--	2,450,000
Currency translation differences	--	(201,375)	(201,375)
Balance at 30 November 2019	31,736,770	(5,042,218)	26,694,552
Balance at 1 December 2019	31,736,770	(5,042,218)	26,694,552
Currency translation differences	--	(59,478)	(59,478)
Balance at 30 November 2020	31,736,770	(5,101,696)	26,635,074

15 Treasury shares

The Parent Company established an Employees' Profit and Share Ownership Plan (ESOP) for all permanent employees. The Trust Deed and Rules of the Plan have been approved by the Board of Inland Revenue under Section 35 of the Income Tax Act Chapter 75:01. The ESOP holds Parent Company shares as part of the ESOP arrangement.

Treasury shares are as follows:

	Ordinary shares	
	No. of shares	**$**
Balance at 1 December 2018	1,528,571	11,284,401
Transfer of shares	(62,916)	(346,659)
Balance at 30 November 2019	1,465,655	10,937,742
Balance at 1 December 2019	1,465,655	10,937,742
Purchase of shares	50,000	402,260
Balance at 30 November 2020	1,515,655	11,340,002

16 Borrowings

	2020	2019
	$	$
Non-current		
Bank borrowings	47,447,584	61,100,000
Current		
Bank borrowings	36,914,567	15,933,333
Total borrowings	84,362,151	77,033,333

Loan 1

This loan represents a fixed rate TT dollar bond for $140 million at a rate of 6.25% per annum. Interest is payable quarterly. Principal is repayable by 40 quarterly equal instalments of $3.5 million which commenced on 3 September 2013. The bond is secured by a registered demand first debenture on the fixed and floating assets of the parent company. The fair value based on cash flows discounted using a current borrowing rate of 5.0% (2019: 5.5%) was $37,825,247 (2019: $47,778,756).

Loan 2

The borrowing represents a TT dollar loan for $29 million at a rate of 5.5% per annum fixed for four years subject to three-year resets thereafter. Interest is payable quarterly. Principal is repayable by 60 quarterly equal instalments of $483,333 which commenced on 27 August 2019. The loan is secured on all moveable assets constituting outfitting at the Trinicty Plaza site. The fair value based on cash flows discounted using a current borrowing rate of 5.0% (2019: 5.5%) was $26,882,074 (2019: $27,223,928).

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

16 Borrowings (continued)

Loan 3

The borrowing represents a TT dollar loan for $11 million at a rate of 5.5% per annum fixed for four years subject to three-year resets thereafter. Interest is payable quarterly. Principal is repayable by 60 quarterly equal instalments of $183,333 which commenced on 27 February 2020. The loan is secured on all moveable assets constituting outfitting at the Trinicty Plaza site. The fair value based on cash flows discounted using a current borrowing rate of 5.0% was $10,578,236.

Loan 4

The borrowing represented a US dollar loan for US$3 million at a rate of 5.22% per annum, reset every month until maturity date. Interest is payable monthly. Principal is repayable by 12 monthly equal instalments of US $250,000 which commenced on 15 April 2020. The fair value based on cash flows discounted using a current borrowing rate of 5% was TT$8,061,939. This loan is unsecured.

The Group has the following undrawn borrowing facilities:

	2020 $	2019 $
Floating rate:		
Expiring within one year (Interest rate 5.0%)	14,500,000	25,500,000

The facilities are subject to review at various dates during 2021.

The carrying amounts of the Group's borrowings are denominated in the following currencies:

	2020 $	2019 $
Trinidad and Tobago dollars	75,925,526	77,033,333
United States dollars	8,436,625	--
	84,362,151	77,033,333

17 Trade and other payables

	2020 $	2019 $
Non-current		
Other payables (stock based compensation)	1,440,131	2,033,813
Current		
Trade payables	80,072,238	94,614,349
Accrued expenses	13,110,720	20,117,170
Stock based compensation	7,640,449	7,057,631
Payroll related taxes and other benefits	10,377,460	15,054,410
	111,200,867	136,843,560
Total trade and other payables	112,640,998	138,877,373

18 Related party balances and transactions	**2020**	**2019**
	$	**$**
a. Due to related parties		
Due to affiliated companies	14,666,993	6,163,760
Prestige Holdings Limited conducted the following transactions with its related parties:		
Purchase of foods and related supplies	36,996,603	56,537,259
Purchases – other	383,387	2,862,999
Other income	1,561,000	1,561,000
Lease of properties	1,172,764	1,427,970
Leases liabilities – non-current	1,741,666	--
Lease liabilities – current	1,413,229	--
	3,154,895	--
b. Directors' fees	822,800	1,032,000
c. Key management compensation		
Salaries and other short-term benefits	8,923,114	7,498,826
Stock based compensation	(47,188)	912,502
Pension costs – defined contribution plan	212,862	235,800
	9,088,788	8,647,128

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

19 Revenue

The Group derives revenue mainly from the transfer of food items at a point in time in the following restaurant segments:

	Quick service restaurants $	Casual dining $	Total $
Total segment revenue 2020	707,733,984	189,184,457	896,918,441
Total segment revenue 2019	870,078,603	242,854,467	1,112,933,070

Revenue from external customers arise mainly from the sale of food items in operating the worldwide KFC, Pizza Hut, Subway, Starbucks and TGI Fridays brands on a retail basis.

There are no material assets and liabilities arising on revenue with customers.

20 Cost of sales

Cost of sales includes food supplies, packaging materials, labour and other costs directly related to the level of sales.

21 Expenses by nature

	2020 $	2019 $
The following items have been charged/(credited) in arriving at the operating profit:		
Cost of inventories (Note 10)	380,638,409	467,014,827
Employee benefit expense (Note 29)	162,151,115	192,586,044
Other expenses	79,891,014	88,605,949
Royalties	54,435,027	69,152,317
Short term and variable lease expenses	19,325,088	62,642,895
Rent waiver IFRS 16 COVID-19 concessions	(17,493,289)	--
Depreciation on property, plant and equipment and amortisation on intangible assets	49,111,170	49,411,062
Depreciation on right-of-use assets (Note 6)	40,154,501	--
Advertising costs	36,479,734	44,802,934
Utilities	21,004,300	23,559,921
Repairs and maintenance on property, plant and equipment	26,684,057	31,928,516
Goodwill impairment charge (Note 7)	18,633,730	--
Security	16,450,138	17,653,487
Insurance	4,387,623	5,230,768
Foreign exchange losses	2,590,532	3,676,620
Profit on disposal of property, plant and equipment	(422,197)	(157,806)
Cost of sales, other operating and administrative expenses	894,020,952	1,056,107,534

22 Other income

	2020 $	2019 $
Miscellaneous income	1,893,263	1,902,387
Lease rental income	701,544	699,825
	2,594,807	2,602,212

23 Finance costs

Bank borrowings – interest expense	5,108,674	5,069,297
Lease liabilities – interest expense (Note 6)	16,132,907	--
	21,241,581	5,069,297

24 Income tax expense

	2020 $	2019 $
Current tax	7,540,063	19,262,515
Prior year over/(under) provision	93,893	(118,890)
Deferred tax credit (Note 9)	(5,634,559)	(604,888)
	1,999,397	18,538,737

The taxation charge differs from the theoretical amount that would arise using the basic rate of tax as follows:

(Loss)/profit before income tax	(15,749,285)	54,358,451
Tax calculated at 30%	(4,724,785)	16,307,535
Expenses not deductible for tax purposes	1,579,242	2,350,092
Impairment charge on goodwill	5,590,119	--
Allowable expenses	(707,352)	--
Other differences	168,280	--
Prior year over/(under) provision	93,893	(118,890)
	1,999,397	18,538,737

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

25 Group earnings per share

a. Basic

Basic earnings per share is calculated by dividing the net profit attributable to equity holders by the weighted average number of common shares in issue during the year.

	2020 $	2019 $
Profit attributable to owners of the Parent Company	(17,748,682)	35,819,714
Weighted average number of common shares in issue during the year exclusive of treasury shares	60,997,347	61,047,347
Basic earnings per share (exclusive of treasury shares)	(29.1¢)	58.7¢

b. Diluted

For the diluted earnings per share, the weighted average number of common shares in issue is adjusted to assume conversion of all dilutive potential common shares.

	2020 $	2019 $
Profit attributable to owners of the parent company	(17,748,682)	35,819,714
Weighted average number of common shares in issue for diluted earnings per share	62,272,270	62,122,518
Diluted earnings per share	(28.5¢)	57.7¢

26 Segment information – geographical segment

The Group is principally engaged in the restaurant industry (casual and quick service), operating the worldwide KFC, Pizza Hut, Subway, Starbucks and TGI Fridays concepts in Trinidad and Tobago and the TGIF Fridays concept in Jamaica. Management has determined the operating segments based on the reports reviewed by the Executive Committee and the Board of Prestige Holdings Limited.

The Executive Committee and the Board considers the business from a geographic basis consisting of local and overseas operations. Geographically, management considers the performance of operating companies in Trinidad and Tobago and Jamaica. The Executive Committee and the Board assess the performance of the operating segments based on a measure of revenue and profit before taxation.

26 Segment information – geographical segment (continued)

Trinidad and Tobago is the home country of the Parent Company which is also the main operating company and Weekenders Trinidad Limited (the entity that holds the franchise for TGI Fridays in Trinidad and Tobago). The Parent Company's principal subsidiary outside of Trinidad is located in Jamaica. All companies operate in the restaurant sector and have been aggregated together based on the nature of products and services they provide, nature of production processes, type of customers, methods used to distribute products and services and the nature of the regulatory environment. This resulted in two operating segments, one for Trinidad and Tobago and another for the Group's overseas operations as shown below.

The segment results for the year ended 30 November 2020 are as follows:

	Trinidad $	Others $	Group $
Total segment revenue	887,496,314	9,422,127	896,918,441
Operating profit/(loss)	6,320,842	(828,546)	5,492,296
Finance costs	(21,020,750)	(220,831)	(21,241,581)
Loss before income tax	(14,699,908)	(1,049,377)	(15,749,285)
Income tax expense	(2,277,478)	278,081	(1,999,397)
Loss for the year	(16,977,386)	(771,296)	(17,748,682)

The segment results for the year ended 30 November 2019 are as follows:

	Trinidad $	Others $	Group $
Total segment revenue	1,094,983,181	17,949,889	1,112,933,070
Operating profit	57,800,211	1,627,537	59,427,748
Finance costs	(5,069,297)	--	(5,069,297)
Profit before income tax	52,730,914	1,627,537	54,358,451
Income tax expense	(18,216,859)	(321,878)	(18,538,737)
Profit for the year	34,514,055	1,305,659	35,819,714

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

26 Segment information – geographical segment (continued)

Other segment items included in the consolidated income statement are as follows:

	Year ended 30 November 2020		
	Trinidad	**Others**	**Group**
	$	**$**	**$**
Depreciation	45,931,466	474,851	46,406,317
Amortisation	2,698,184	6,669	2,704,853
Depreciation on right-of-use assets	39,483,575	670,926	40,154,501
Goodwill impairment charge	18,633,730	--	18,633,730

	Year ended 30 November 2019		
	Trinidad	**Others**	**Group**
	$	**$**	**$**
Depreciation	46,354,184	454,404	46,808,588
Amortisation	2,602,474	--	2,602,474

The segment assets and liabilities at 30 November 2020 and capital expenditure for the year then ended are as follows:

	Trinidad	**Others**	**Group**
	$	**$**	**$**
Assets	787,876,256	10,687,436	798,563,692
Liabilities	498,174,822	10,641,479	508,816,301
Capital expenditure	48,301,658	314,151	48,615,809

The segment assets and liabilities at 30 November 2019 and capital expenditure for the year then ended are as follows:

	Trinidad	**Others**	**Group**
	$	**$**	**$**
Assets	526,697,392	8,019,116	534,716,508
Liabilities	219,594,525	7,164,172	226,758,697
Capital expenditure	64,526,880	212,656	64,739,536

27 Dividends

On 25 February 2021, the Board of Directors of Prestige Holdings Limited approved a final dividend of 6 cents, bringing the total dividends for the financial year ended 30 November 2020 to 6 cents (2019: 12 cents).

28 Cash generated from operations

	2020 $	2019 $
(Loss)/profit before income tax	(15,749,285)	54,358,451
Adjustments for:		
Depreciation on plant, property and equipments and amortisation on intangible assets	49,111,170	49,411,062
Depreciation on right-of-use assets	40,154,501	--
Impairment charge	18,633,730	--
(Decrease)/increase in other payables	(593,682)	494,280
Finance costs (Note 23)	21,241,581	5,069,297
Foreign exchange differences	81,496	(78,290)
Rent waiver IFRS 16 COVID-19 concessions	(17,493,289)	--
Profit on disposal of property, plant and equipment and franchise fees	(422,197)	(157,807)
Transfer of treasury shares	--	346,659
Changes in current assets and current liabilities:		
Decrease/(increase) in inventories	3,329,921	(346,221)
Decrease in trade and other receivables	4,282,705	4,969,558
(Decrease)/increase in trade and other payables	(25,642,693)	9,548,655
Increase in due to related parties	8,503,233	96,434
	85,437,191	123,712,078

29 Employee benefit expense

	2020	2019
Wages and salaries	142,533,977	166,010,399
Payroll related taxes and other benefits	18,325,291	22,752,668
Stock based employee compensation	142,393	2,746,748
Pension costs – defined contribution plan	1,149,454	1,076,229
	162,151,115	192,586,044

Notes to the Consolidated Financial Statements (continued)

30 November 2020 (Expressed in Trinidad and Tobago Dollars)

30 Commitments and contingent liabilities

Capital commitments

Capital commitments for the Group amounted to approximately $5.6 million at 30 November 2020 (2019: $0.36 million).

Lease commitments

The Group has lease arrangements for its various stores and administrative buildings. These range from one to twenty year periods with options to renew. This disclosure note has been adjusted for the impact of the adoption of IFRS 16 'Leases' in the current year (Note 2 w).

Capital commitments

The Group's minimum lease commitments under the terms of various leases of property, plant and equipment used primarily for its restaurant operations, exclusive of any related value added tax, are as follows:

	2020	**2019**
	$	**$**
Rentals due within one year	72,420	47,614,959
Rentals due between two to five years	--	121,095,010
Rentals due in more than five years	--	78,185,755
	72,420	246,895,724

Custom bonds

The Group has contingent liabilities in respect of custom bonds arising in the ordinary course of business from which it is anticipated that no material liabilities will arise as follows:

Custom bonds	250,000	250,000

Guarantee

The Group has a guarantee in favour of Comptroller of Customs and Excise for $1.2 million (2019: $1.2 million).

MANAGEMENT PROXY CIRCULAR

REPUBLIC OF TRINIDAD AND TOBAGO
THE COMPANIES ACT, CHAPTER 81:01
(Section 144)

1. **Name of Company:**
   Prestige Holdings Limited .... Company No. P 4208 (95) A

2. **Particulars of meeting:**
   The Annual Meeting of Shareholders of the Company to be held in a hybrid format via live webcast from No. 22 London Street, Port of Spain on Monday 26 April 2021 at 11:00 a.m.

3. **Solicitation:**
   It is intended to vote the proxy hereby solicited by the management of the Company (unless the share holder directs otherwise) in favor of all resolutions specified in the Proxy Form sent to the shareholders with this circular and, in the absence of a specific direction, in the discretion of the proxy holder in re spect of any other resolution.

4. **Any Director's statement submitted pursuant to section 76(2):**
   No statement has been received from any director pursuant to section 76(2) of the Companies Act, Chapter 81:01.

5. **Any Auditors' statement submitted pursuant to section 171(1):**
   No statement has been received from the auditors of the Company pursuant to section 171(1) of the Companies Act, Chapter 81:01.

6. **Any Shareholder's proposal and/or statement submitted pursuant to sections 116(a) and 117(2):**

   No proposal or statement has been received from any shareholder pursuant to sections 116(a) and 117 (2) of the Companies Act, Chapter 81:01.

Date	Name and title	Signature
24 March 2021	Marlon Danglade Corporate Secretary	

FORM OF PROXY

REPUBLIC OF TRINIDAD AND TOBAGO
THE COMPANIES ACT, CHAPTER 81:01
(Section 143(1))

1. Name of Company: **PRESTIGE HOLDINGS LIMITED** Company No. P 4208 (95) A
2. Particulars of Meeting: Annual Meeting of Shareholders to be held in a hybrid format via live webcast from No. 22 London Street, Port of Spain on Monday 26 April 2021 at 11:00 a.m.

I/We ....
(Block Letters)

of ....
(Block Letters)

shareholder(s) of the above Company, hereby appoint the Chairman, Mr. Christian Mouttet, or, failing him,

.... of ....

....

to be my/our proxy to vote for me/us on my/our behalf at the above meeting and any adjournment thereof in the same manner, to the same extent and with the same powers as if I/we were present at the said meeting or such adjournment or adjournments thereof, and in respect of the resolutions below to vote in accordance with my/our instructions below.

....
(Signature(s) of Shareholder(s))

Dated the .... day of .... 2021.

(Please indicate with an "X" in the spaces below your instructions on how you wish your votes to be cast. Unless otherwise instructed, the proxy may vote or abstain from voting as he/she thinks fit.)

Please consider the **Notes 1** to **6** below for your assistance to complete and deposit this Proxy Form.

NOTES:

1. If it is desired to appoint as a proxy a person other than those named on the form, delete as necessary and insert the name and address of the person appointed.
2. If the Shareholder is a corporation, this Proxy Form must be under its common seal or under the hand of some officer or attorney duly authorised in that behalf.
3. A Shareholder that is a body corporate may, in lieu of appointing a proxy, authorise an individual by resolution of its directors or governing body to represent it at this Annual Meeting.
4. In the case of a joint Shareholder, the names of all joint Shareholders must be stated on the Proxy Form and all joint Shareholders must sign the Proxy Form.
5. If the Proxy Form is returned without any indication as to how the person appointed proxy shall vote, the proxy will exercise his/her discretion as to how he/she votes or whether he/she abstains from voting.
6. To be valid, the Proxy Form must be completed and deposited at the Registered Office of the Company not less than 48 hours before the time of holding the Annual Meeting.

Return to:
Prestige Holdings Limited
47–49 Sackville Street
Port of Spain.

FORM OF PROXY

Resolution No.	Ordinary Business	For	Against
1	The Audited Consolidated Financial Statements of the Company for the year ended 30 November 2020 together with the Reports of the Directors and the Auditors thereon be and the same are hereby received and adopted.		
2	Pursuant to the recommendation of the Directors, a final dividend of six (6) cents per common share for the year ended 30 November 2020 be and the same is hereby declared, and that such dividend be paid on 18 May 2021 to shareholders whose names appear on the register of members on 12 April 2021.		
3	Mr. Martin de Gannes be and is hereby re-elected, a Director of the Company in accordance with paragraph 4.5 of By-Law No. 1 of the Company to hold office from the date of his election until the close of the third Annual Meeting of the Company following his election, subject always to earlier termination under paragraph 4.8.1 of By-Law No. 1		
4	Mr. Neil Poon Tip be and is hereby re-elected, a Director of the Company in accordance with paragraph 4.5 of By-Law No. 1 of the Company to hold office from the date of his election until the close of the third Annual Meeting of the Company following his election, subject always to earlier termination under paragraph 4.8.1 of By-Law No. 1.		
5	Mr. Simon Hardy be and is hereby re-elected, a Director of the Company in accordance with paragraph 4.5 of By-Law No. 1 of the Company to hold office from the date of his election until the close of the third Annual Meeting of the Company following his election, subject always to earlier termination under paragraph 4.8.1 of By-Law No. 1.		
6	Messrs. PricewaterhouseCoopers be and are hereby re-appointed as the Auditors of the Company to hold office until the close of the next Annual Meeting.		

Notes

Notes

KFC "it's finger lickin' good"

Pizza Hut

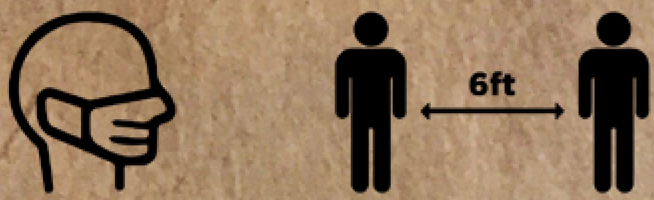
TGI FRIDAYS

SUBWAY

STARBUCKS

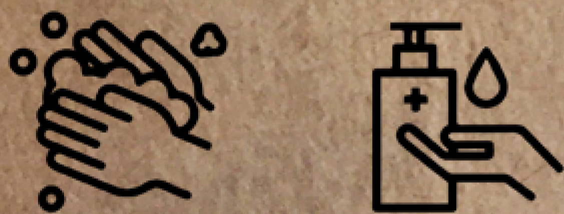
To win the fight against the Corona Virus we must.

Avoid Exposure



Stay at home.
Keep at least 6 feet apart from others.
Wear a mask.

Take Precautions



Regularly wash hands or use alchohol-based hand rub.
Have a nutritious diet.
Exercise regularly.

Be Prepared

Keep a supply of essential medicines.
Keep all helpline numbers handy.

PRESTIGE HOLDINGS LTD.
A Restaurant Management Company